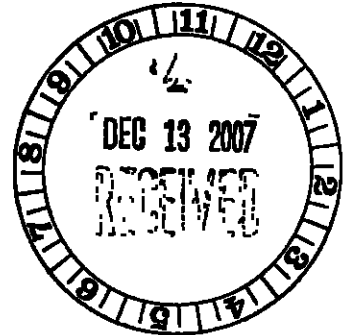




Gabriel S. Meyer
Assistant General Attorney

December 11, 2007



Via UPS Overnight

The Honorable Vernon Williams
Secretary
Surface Transportation Board
395 E Street, S W
Washington, D C 20024

220999

RE: Docket No. STB No. AB-33 (Sub-No. 255), Union Pacific Railroad Company - Abandonment - In Carver and Scott Counties, Minnesota, (Chaska Industrial Lead)

Dear Secretary Williams.

Pursuant to 49 CFR § 1152.24, enclosed is the original and ten (10) copies of Union Pacific Railroad Company's ("UP's") Application for Abandonment in the above-referenced matter. The Application and attached appendices represent UP's case-in-chief for abandonment of the Chaska Industrial Lead. Three CD-ROMs containing an electronic version of the Application and appendices are also enclosed.

Please file the Application in Docket No. AB-33 (Sub-No. 255). Enclosed is a Credit Payment Form in the amount of \$18,900.00, representing the filing fee in this matter.

Thank you very much for your time and attention to this matter. Please do not hesitate to contact me if you have any questions.

Sincerely,

Gabriel S. Meyer

Enclosures

ENTERED
Office of Proceedings

DEC 13 2007

Part of
Public Record

FEE RECEIVED

DEC 13 2007

SURFACE
TRANSPORTATION BOARD

FILED

DEC 13 2007

CERTIFICATE OF SERVICE
OF
APPLICATION FOR DISCONTINUANCE OF SERVICE

The undersigned hereby certifies that a copy of the attached Application for Abandonment in Docket No. AB-33 (Sub-No. 255), over the Chaska Industrial Lead, which extends 5.6 miles from Chaska (Milepost 33.0) to Merriam (Milepost 38 6), in Scott and Carver Counties, Minnesota, was served by first class mail on the 11th day of December, 2007

Significant Users

United Sugars Corporation ("United Sugars")
524 Center Avenue
Moorhead, MN 56560

Chaska Building Center
P. O. Box 89
Chaska, MN 55318

State Officials and Federal Agencies

Honorable Tim Pawlenty
Governor of Minnesota
130 State Capitol
75 Rev. Dr. Martin Luther King Blvd.
St. Paul, MN 55155

Department of Natural Resources
Division of Parks and Recreation
500 Lafayette Road
St Paul, MN 55155-4040

Minnesota Department of Transportation
395 John Ireland Blvd.
St. Paul, MN 55155-1899

National Park Service
Midwest Region
1709 Jackson St.
Omaha, NE 68102

Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

UM Extension Carver County
11360 Highway 212 W Ste 4
Cologne, MN 55322-8019

Minnesota Planning
658 Cedar Street, Room 300
St Paul, MN 55155

UM Extension Scott County
7151 190th St W
Suite 100
Jordan, MN 55352-2104

U S. Department of Transportation
Federal Railroad Administration
1120 Vermont Ave., NW
Washington, D. C. 20590

MTMCTEA

Attn: Railroads for National Defense
720 Thimble Shoals Boulevard, #130
Newport News, Virginia 23560-2574

USDA Forest Service
1400 Independence Ave., SW
Washington, D. C. 20250-0003

U. S. Department of the Interior
National Park Service, Attn. Rick Potts
1201 Eye St., NW,
9th Floor, Org Code 2240
Washington, D. C. 20005

U. S. Railroad Retirement Board
844 North Rush Street
Chicago, IL 60611-2092

Headquarters – Railway Labor
Executive Association
400 North Capitol Street, Suite 850

Transportation Regulation Board
254 Livestock Exchange Building
100 Stockyards Road, Room 254
South St. Paul, MN 55075

Headquarters of Labor Organizations Representing Employees

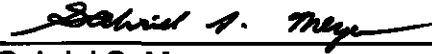
Mr. B. D. MacArthur
General Chairman BLET
501 N. Second Street, Suite 2
Clinton, IA 52732

Mr. W. E. Morrow
General Chairman BMWED
P. O Box 850
Lyman, WY 82937

Mr. M. J. Reedy
General Chairman UTU
307 W Layton Avenue
Milwaukee, WI 53207

Mr. G. Pankey
General Chairman BRS
1150 N. Mountain Ave., Suite 206
Upland, CA 91786

Dated this 11th day of December, 2007

A handwritten signature in cursive script, reading "Gabriel S. Meyer", is positioned above a horizontal line.

Gabriel S. Meyer
Assistant General Attorney
Union Pacific Railroad Company
STOP 1580
1400 Douglas Street
Omaha, NE 68179
Phone: 402 544-1658
Fax: 402 501-3393

Before the
SURFACE TRANSPORTATION BOARD

Docket No AB-33 (Sub-No. 255)

UNION PACIFIC RAILROAD COMPANY
-- ABANDONMENT AND DISCONTINUATION OF OPERATION--
IN CARVER AND SCOTT COUNTIES, MINNESOTA
(CHASKA INDUSTRIAL LEAD)

APPLICATION

UNION PACIFIC RAILROAD COMPANY
Gabriel S. Meyer
Assistant General Attorney
1400 Douglas Street
STOP 1580
Omaha, NE 68179
(402) 544-1658
(402) 501-3393 (FAX)

Dated: December 11, 2007
Filed: December 12, 2007

Before the
SURFACE TRANSPORTATION BOARD

Docket No. AB-33 (Sub-No 255)

UNION PACIFIC RAILROAD COMPANY
-- ABANDONMENT AND DISCONTINUATION OF OPERATION--
IN CARVER AND SCOTT COUNTIES
(CHASKA INDUSTRIAL LEAD)

APPLICATION

A. Introduction.

Union Pacific Railroad Company ("UP"), submits this Application pursuant to 49 C.F.R. § 1152.22 for authority to abandon its Chaska Industrial Lead (the "Line" or the "Chaska Industrial Lead"). The Line extends from Milepost ("MP") 38.6 at Merriam, Scott County, to MP 33.0 on the east side of Chaska, Carver County, a distance of 5.6 miles in the State of Minnesota.

UP's continued operation of the Line will result in substantial losses, constituting a financial burden on UP. As demonstrated below, public convenience and necessity requires the abandonment of the Line because it cannot be operated profitably.

This Application contains data for calendar years 2005 and 2006, and a portion of the current year (January-February 28, 2007). This includes the Base Year (March 1, 2006-February 28, 2007), and the Forecast Year (December 1, 2007-

November 30, 2008). This Application and the attachments listed below represent UP's case-in-chief in support of abandonment.

Appendix A—Map of the abandonment and discontinuance.

Appendix B—System diagram map and description.

Appendix C—Verified Statement of Abdollah (Abe) Ghazai, UP Track Planning Engineer (Engineering - Track Structure)

Exhibit 1 - Track Structure Condition Field Reports

Exhibit 2 - Estimated Annual Maintenance Cost Per Mile for the Line

Exhibit 3 —Net Liquidated Value (Excluding Land)

Appendix D—Verified Statement of Jan Jarosz, UP Manager of Structures Design (Engineering - Bridge Structures)

Exhibit 1 – Estimated Bridge Rehabilitation and Reconstruction Costs

Exhibit 2 – Milepost 33.72 Bridge

Exhibit 3 – Milepost 34.25 Bridge

Exhibit 4 – Milepost 34.75 Bridge

Exhibit 5 – Minnesota River Bridge (Milepost 36.17)

Exhibit 6 – Milepost 36.77 Bridge

Exhibit 7 – Destroyed Bridge Milepost 37.14 (destroyed in March, 2007)

Exhibit 8 – Milepost 37.35 Bridge

Appendix E—Verified Statement of Michael Drelicharz, UP Senior Project Manager of Economic Research and Analysis (Finance and \$1152.22(d) Exhibits)

Exhibit 1 - Revenues and avoidable costs (Base Year and Forecast Year).

Exhibit 2 - Opportunity cost calculations.

Exhibit 3 - Work Papers 0001-0120

Appendix F—Verified Statement of Brian Mahaffey, UP Senior Business Manager—Grain and Grain Products Group (Forecast Year Traffic and Alternate Service)

Appendix G—Verified Statement of Robert J. Gloodt, UP Senior Manager Appraisals—Real Estate (Real Estate Appraisal)

Exhibit 1 - Real Estate Valuation

Appendix H—General verification for those matters not specifically covered by a separate verified statement of a UP officer.

Appendix I—Initial letter under 49 CFR 1152 and 40 CFR 1105.7 dated May 11, 2007.

Appendix J—Combined Environmental and Historic Report filed October 31, 2007

Appendix K—Draft Federal Register Notice.

Appendix L—Certificate of Publication and Posting for Notice of Intent.

B. Contents of Application—49 C.F.R. § 1152.22.

(a) **General.**

(a)(1) **Exact name of Applicant**

Applicant's exact name is Union Pacific Railroad Company.

(a)(2) **Whether Applicant is a common carrier by railroad subject to 49 U S C Subtitle IV, chapter 105.**

UP is a Class I common carrier by railroad subject to 49 U.S.C. Subtitle IV, Chapter 105

(a)(3) **Relief sought (abandonment of Line or discontinuance of service)**

UP seeks to abandon the Chaska Industrial Lead, extending from MP 38.6 at Merriam, Scott County to MP 33.0 on the east side of Chaska, Carver County, a distance of 5.6 miles in the State of Minnesota. UP has not operated the Line since March, 2007, when it was embargoed¹, due to the destruction of a bridge over a tributary of the Minnesota River, located at MP 37.14 (the "Destroyed Bridge"). The bridge was destroyed as the result of a flooding-caused derailment.

¹ Embargo number UP002007, issued March 26, 2007.

The Line was originally constructed in 1870 by the Minneapolis and St Louis Railroad, and subsequently became part of the Chicago and North Western Transportation Company ("CNW") system until CNW's merger into UP in 1995.² UP now seeks abandonment of its common carrier obligation with respect to the Line

(a)(4) Detailed map of the subject Line.

Attached hereto as **Appendix A** is a map dated April 10, 2007 drawn to scale, showing the Line proposed for abandonment. The map also identifies the Destroyed Bridge at MP 37.14, the bridge across the Minnesota River at MP 36.17 (the "Minnesota River Bridge"), which is near the end of its useful life, other bridges on the Line, and other railroad trackage and major highways in the area

(a)(5) Reference to inclusion of the Line on the system diagram map or narrative and a copy of the description which accompanies the system diagram map.

Attached as **Appendix B** is the Line Description for the Line which accompanied the latest amendment to UP's System Diagram Map, filed on July 16, 2007.

(a)(6) Detailed statement of reasons for filing Application.

As supported by the verified statements attached hereto, after the merger of CNW into UP in 1995, UP provided rail freight service on the Line until the Destroyed Bridge at MP 37.14 was destroyed on March 23, 2007, as the result of a flooding-

² Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company -- Control -- Chicago and North Western Transportation Company and Chicago and North Western Railway Company, Finance Docket No. 32133 (ICC served Feb. 21, 1995)

caused derailment. The line was formally embargoed after the destruction of the Destroyed Bridge on March 26, 2007. Additionally, the Minnesota River Bridge at MP 36.17 that carries the Line across the Minnesota River is in an advanced state of deterioration and will require approximately \$3.5 million to rehabilitate, or \$8 million to replace. There is no overhead traffic on the Line and prior to the destruction of the Destroyed Bridge, only one shipper, United Sugars Corp ("United Sugars") received freight shipments moved via the Line. United Sugars is currently using truck service to meet its shipping needs. The only other potential shipper on the Line, Chaska Building Center, received only limited amounts of construction materials until early 2006, when it began transporting all shipments via truck.

Existing freight revenues from the Line are insufficient to justify the costs of required bridge rehabilitation and reconstruction, and the collective costs of operation, maintenance, and rehabilitation of the Line. Furthermore, there is no reasonable prospect that traffic and revenues on the Line will increase sufficiently in the foreseeable future to justify these costs.

(a)(7) Name, title, and address of representative to whom correspondence should be sent.

Correspondence regarding this matter should be addressed to Applicant's representative.

Gabriel S Meyer
Assistant General Attorney
1400 Douglas Street
STOP 1580
Omaha, NE 68179
(402) 544-1658
(402) 501-3393 (FAX)

(a)(8) List of all United States Postal Service ZIP Codes that the Line traverses

The Line traverses United States Postal Service ZIP Codes 55315, 55318, and 55379.

(b) Condition of Properties The present physical condition of the Line including operating restrictions and estimate of deferred maintenance and rehabilitation costs to upgrade the Line to minimum FRA Class 1 safety standards. The bases for the estimates shall be stated with particularity, and work papers shall be filed with the Application.

The Line is currently embargoed and cannot be operated due to the March 23, 2007 destruction of the Destroyed Bridge at MP 37.14, which will need to be rebuilt in order for UP to restore service. Other bridges on the Line will also require extensive rehabilitation or replacement, while the remainder of the Line will require a lesser degree of rehabilitation.

In his Verified Statement attached as **Appendix C**, Abdollah (Abe) Ghazai (UP Track Planning Engineer) provides details regarding the condition of the Line and normalized maintenance expenses associated with it. His testimony is based upon information provided by UP's on-site field personnel and other information available via UP's data systems. According to Mr. Ghazai, exclusive of the Destroyed Bridge at MP 37.14 and the Minnesota River Bridge at MP 36.17, the Line does not require extensive rehabilitation to meet FRA Class 1 standards. However, it is clear from the Verified Statement of Jan Jarosz (UP Manager of Structures Design) at **Appendix D** that these two bridges must be replaced and repaired at a combined approximate cost of \$4.3 million to \$8.8 million, in order to restore the Line to FRA Class 1 standards

In his verified statement at **Appendix E**, based upon the condition of the

properties, Michael Drelicharz (UP Senior Project Manager of Economic Research and Analysis) establishes the Net Liquidation Value of the Line to be \$2,828,978. This amount includes track, other materials, and real estate associated with the Line.

(c) Service Provided Description of the service performed on the Line during the Base Year (as defined by § 1152 2(c)), including the actual:

(c)(1) Number of trains operated and their frequency.

UP most recently provided service on the Chaska Industrial Lead, with a single local train (designated as LTU23) that originated in New Prague, MN, approximately three times per week. During the Base Year, extending from March, 2006 through February, 2007 (the last full 12-month period before the Line was embargoed due to the destruction of the Destroyed Bridge at MP 37.14) 764 railcars were spotted and pulled over the course of 154 round-trip operations over the Line. In the Forecast Year (December 2007 through November 2008), if the Destroyed Bridge is replaced, 764 railcars would be spotted and pulled over the course of 154 round trips by a local train operating from New Prague, MN (See Verified Statement of Michael Drelicharz, Appendix E.)

(c)(2) Miles of track operated (include main line and all railroad-owned sidings)

The Chaska Industrial Lead, which is proposed for abandonment, consists of 5.6 miles of branch line, all of which is inactive track, due to the destruction of the Destroyed Bridge

(c)(3) Average number of locomotive units operated.

When last operated, the local train LTU23 operated out of New Prague, MN using one low horsepower locomotive unit (1,500 - 2,000 HP) for the 154 round

trips to Chaska. In the Forecast Year, if the Destroyed Bridge at MP 37.14 were to be replaced, one low-horsepower locomotive unit would continue to be utilized for service on the Line. (See Verified Statement of Michael N. Drelicharz, **Appendix E.**)

(c)(4) Total tonnage and carloads by each commodity group on the Line (Base Year).

<u>Commodity Group</u>	<u>Cars</u>	<u>Total Tons</u>
STCC 20621—Sugar	764	72,405
TOTAL	764	72,405

(c)(5) Overhead or bridge traffic by carload commodity group that will not be retained by the carrier.

There is no overhead traffic on the Line.

(c)(6) Average crew size.

When last operated, the local train LTU23, operated with two crew members: an engineer and a conductor/brakeman. If the Destroyed Bridge were to be replaced, the same crew size would be used during the Forecast Year (See Verified Statement of Michael Drelicharz, **Appendix E.**)

(c)(7) Level of maintenance.

The main track, consisting of 5.6 track miles between MP 33.0 and MP 38.6, is constructed primarily with 115-pound jointed rail and track material. There are an additional 0.34 track miles of industrial tracks and sidings. When last operated in March, 2007, the Line had a maximum timetable speed of 10 mph, although speeds across the Minnesota River Bridge were slower, due to its deteriorated condition UP maintained the Line to FRA Class 1 standards (See Verified Statement of Abe Ghazal,

Appendix C.)

(c)(8) Any important changes in train service undertaken in the 2 calendar years immediately preceding the filing of the Application.

On March 26, 2007 UP embargoed the Line, three days after the destruction of the Destroyed Bridge at MP 37.14, which cut off access to all but the first 1.46 miles of the Line. As explained by Brian Mahaffey (UP Senior Business Manager—Grain Products) in **Appendix F**, since that time, United Sugars, the Line's sole continuing customer, has transported its traffic by truck.

(c)(9) Reasons for decline in traffic, if any, in the best judgment of Applicant

As Mr. Mahaffey explains in his verified statement (**Appendix F**), since February 2006, there has been only one (1) shipper on the Line—United Sugars. Prior to March 2006, a second shipper, Chaska Building Center, moved limited amounts of lumber and other building materials over the Line. Chaska Building Center discontinued shipments over the Line due to a regional downturn in building and construction activities, when it became impractical for it to utilize railcar-loads of materials.

Traffic using the Line in recent years has been as follows:

<u>Commodity</u>	<u>Year</u>	<u>Tons</u>	<u>Carloads</u>
Boards	2005	96	1
Gypsum Wallboard	2005	303	3
Lumber	2005	523	6
Sugar	2005	60,210	630
Lumber	2006	297	3
Sugar	2006	77,070	816

(d) Revenue and Cost Data

(d)(1) Computation of the revenues attributable and avoidable costs for the Line

to be abandoned for the Base Year (as defined by § 1152.2(c) and to the extent such branch level data are available), in accordance with the methodology prescribed in §§ 1152.31 through 1152.33, as applicable, and submitted in the form called for in § 1152.36. See Exhibit 1 to Appendix E.

Exhibit 1 to Mr. Drelicharz's Verified Statement, (**Appendix E**), contains computations of the revenues and avoidable costs for the Chaska Industrial Lead in the Base Year. Exhibit 1 shows operating results for the entire Line during the Base Year. Based on normalized maintenance costs, the Line shows a small operating gain of \$23,823 per year. Expenses for normalized maintenance in the Base Year are \$7,038 per track mile, or a total of \$39,413 for the entire Line, as discussed by Mr. Ghazai in his Verified Statement (**Appendix C**) and detailed in Exhibit 1, attached thereto. Additionally, normalized maintenance expenses also includes \$5,000 for annual bridge maintenance, as documented in Jan Jarosz's verified statement (**Appendix D**), for a grand total of \$44,413.

These normalized maintenance costs and expenses do not factor in any expenses for replacement of the Destroyed Bridge at MP 37.14, nor for the rehabilitation or replacement of the Minnesota River Bridge at MP 36.17. As detailed in the Verified Statement of Jan Jarosz, UP Manager of Structures Design (**Appendix D**), replacing the Destroyed Bridge would cost \$816,000, while the Minnesota River Bridge would require an extensive rehabilitation at an estimated cost of \$3.5 million, or replacement at an estimated cost of \$8 million.³ Normalized maintenance costs do not

³ Although rehabilitation work on the Minnesota River Bridge would allow for continued train operations, given the overall age and condition of the bridge, total replacement

include the cost of these repairs, nor rehabilitation costs associated with the Line.

- (d)(2) The carrier shall compute an estimate of the future revenues attributable, avoidable costs and reasonable return on the value for the Line to be abandoned, for the Forecast Year (as defined in § 1152.2(h)) in the form called for in Exhibit 1. The carrier shall fully support and document all dollar amounts shown in the Forecast Year column including an explanation of the rationale and key assumptions used to determine the Forecast Year amounts.

Exhibit 1 to Mr. Drelicharz's Verified Statement (**Appendix E**) contains computations of future revenues and avoidable costs associated with the Line, and a reasonable return on working capital. Based upon Exhibit 1, during the Forecast Year, the Line would generate an operating gain of \$136,413.

Mr. Drelicharz's calculations are based on the assumption that total Forecast Year rail traffic on the Line would be limited to 764 carloads for United Sugars. (See as **Appendix F**.) Rail traffic in the Forecast Year is based upon rail service to the Line's only shipper—United Sugars. UP does not expect any other shippers to seek rail service on the Line during the Forecast Year, or within the foreseeable future.

- (d)(3) The carrier shall also compute an "Estimated Subsidy Payment" for the Base Year in the form called for in Exhibit 1 and an alternate payment to reflect:

(i) Increases or decreases in attributable revenues and avoidable costs projected for the subsidy year, and

(ii) An estimate of the cash income tax reductions, Federal and state, to be realized in the subsidy year. The bases for the adjustment, e.g., rate increase, changes in traffic level, necessary maintenance to comply with minimum FRA Class 1 safety standards, shall be stated with particularity.

The Estimated Subsidy Payment is shown on Line 19, page 2 of Exhibit 1

would be the more appropriate option in order to ensure continued operations over the Line.

to Mr. Drelicharz's Verified Statement (**Appendix E**) and is discussed by Mr. Drelicharz in his testimony contained therein. Details of the opportunity cost calculations for the Line are shown in Exhibit 2 to Mr. Drelicharz's Verified Statement and are discussed in his testimony contained therein. UP would incur an annual opportunity cost for the Forecast Year of \$186,183 for the Line, which is equal to the after-tax Net Liquidation Value, multiplied by the cost of capital.

(e) Rural and Community Impact.

(e)(1) Name and population (identify source and date of figures) of each community in which a station on the Line is located.

The Line includes the station of Chaska, MN, however, no agency station exists at this location. Population information was obtained from the U.S. Census Bureau's Website.

<u>Community</u>	<u>Station</u>	<u>Milepost</u>	<u>Population</u>
Chaska, MN	N/A	33.0	23,736 ⁴

(e)(2) Significant users, by name, address, principal commodity, and by tonnage and carloads for each of the 2 calendar years preceding the Application, for that part of the current year for which information is available, and for the Base Year. In addition, the total tonnage and carloads for each commodity group originating and/or terminating on the line segment shall also be shown for the same time periods as those of the significant users.

Details of the significant user information are provided in Mr. Mahaffey's Verified Statement, attached as **Appendix F**. His Verified Statement identifies significant users and their addresses, principal commodity, and the number of cars shipped with tonnages for 2005, 2006, January-February, 2007, the Base Year (March

2006 through February 2007), and the Forecast Year (December 2007 through November 2008). Mr. Mahaffey also provides carloads/tonnage by commodity for the same periods. He estimates that 764 cars of sugar will move over the Line during both the Base Year and the Forecast Year

(e)(3) General description of the alternate sources of transportation service (rail, motor, water, air) available, and the highway network in the proximate area.

The availability of alternative rail and motor service is discussed in Mr. Mahaffey's Verified Statement.

Rail – Alternate Lines in the area are shown on the map attached as **Appendix A**. Chaska is situated approximately 3.5 miles south of a line operated by Twin Cities and Western Railroad. In addition, UP's main line operates approximately two miles (via roadway) south of Chaska.

Motor – Motor carrier service is readily accessible in the area and currently utilized by United Sugars. Chaska is served by a number of state and local roads and highways, including a major highway, U.S. 212. This highway intersects with Interstate 494, approximately ten miles northeast of Chaska.

Water – Barge service is not an alternative in the immediate area.

Air – Air service is not an economically viable alternative for the commodity being shipped over the Line.

Highway Network - The highway network in the area is shown on the map as **Appendix A**. Lying in the southwest portion of the Minneapolis/St. Paul metropolitan

⁴ Estimated 2006 population

area, Chaska is served by a number of state and local roadways. As noted above, the major highway serving Chaska is U.S. 212, which runs approximately ten miles northeast to Interstate 494, which in turn connects with the extensive Interstate Highway network serving the Twin Cities area. Because of the well developed highway network in the area, trucks can be and are currently being used to meet United Sugars' shipping needs.

- (e)(4) Statement of whether the properties proposed to be abandoned are appropriate for use for other public purposes, including roads or highways, other forms of mass transportation, conservation, energy production or transmission, or recreation. If Applicant is aware of any restriction on the title to the property, including any reversionary interest, which would affect the transfer of title or the use of property for other than rail purposes, this shall be disclosed

The underlying right-of-way, along with the track and associated materials, is owned by UP. According to the Verified Statement of Robert J. Gloodt, UP Senior Manager Appraisals—Real Estate, **Appendix G**, the Line consists of 74.9136 acres of operating right-of-way of which 67.257 acres (approximately 90 percent) are non-reversionary and 7.657 acres (approximately 10 percent) are reversionary.

The Line may be appropriate for use for other public purposes. Based on information in UP's possession, the Line does not contain federally granted rights-of-way. Any documentation in UP's possession will be made available promptly to those requesting it.

- (f) Environmental impact.

On October 31, 2007, UP prepared and served a Combined Environmental and Historic Report for the Line. A copy of this report is attached and

hereby made a part hereof at **Appendix J.**

(g) **Passenger Service**

No passenger service operates over the Chaska Industrial Lead.

(h) **Additional Information**

Any additional information regarding the proposed abandonment will be provided as required by the Board

(i) **Draft Federal Register Notice.**

UP has included a draft Federal Register Notice with this Application, attached as **Appendix K**

(j) **Verification**

The Verification of this Application by an officer of UP is attached hereto and is hereby made a part of this Application

C. Discussion and Conclusion.

As established by the facts and analyses contained in the verified statements attached to this Application, the continued operation of the Chaska Industrial Lead would impose a significant and commercially unjustifiable burden upon UP as a common carrier by railroad—a burden that UP is not required to carry under Board precedent. Reopening and rehabilitating this 5.6-mile Line to FRA Class 1 standards will require anywhere from \$5.9 million to more than \$10 million in capital investments—an amount that UP is unlikely to ever recover, given the low traffic volumes and revenues that the Line generates Moreover, the Line is not expected to

generate additional traffic in the future

Chaska Industrial Lead operations are projected to result in a \$136,413 operating gain during the Forecast Year with a current annual operating cost of \$764,800, as documented in Michael Drelicharz's Verified Statement (**Appendix E**) This amount includes \$44,413 in normalized maintenance expense, as factored into Mr Ghazai's and Mr. Jarosz's calculations (**Appendix C** and **Appendix D**, respectively). This is the amount required for economic and efficient operation of the Line over the long term and should be considered in determining whether public convenience and necessity permits abandonment. International Minerals & Chemical Corporation v. I.C.C., 656 F.2d 251, 256, 257 (7th Cir. 1981); Chicago & North Western Transportation Co. - Abandonment between Mason City and Kesley, Iowa, 366 I.C.C. 373, 377 (1982).

These figures do not take into account the substantial costs required to rehabilitate and reopen the Line. These costs include rebuilding the Destroyed Bridge at MP 34.17, repairing or replacing the Minnesota River Bridge at MP 36.17, and expenditures for track repairs. UP estimates that these costs will total approximately \$5.9 million if UP repairs the Minnesota River Bridge, and approximately \$10.5 million if UP builds a replacement.

Excluding the effects of income taxes, depreciation, inflation, and the cost of capital, it will take UP over 43 years to recoup the \$5.9 million cost of rehabilitating the Line, given the projected \$136,413 annual operating gain. If UP replaces rather than repairs the Minnesota River Bridge, increasing the Line's rehabilitation cost to more than \$10 million, then it would take more than 75 years for UP to recoup its

costs.⁵ Moreover, under either scenario, if proper allowances are made for the impact of taxes, depreciation, inflation, and cost of capital, the recoupment period becomes too long for quantifiable calculation.

In short, the Forecast Year's \$136,413 operating gain would not provide an adequate return on investment to justify the rehabilitation costs, bridge reconstruction costs, plus the recurring opportunity and rehabilitation costs that UP would be required to spend if it were to restore operations over the Line. Furthermore, there is no clearly justified need for UP to incur these substantial costs, as shippers are currently utilizing the readily available alternative motor carrier service. Mr. Mahaffey's testimony (**Appendix F**) confirms the availability and the shippers' use of motor transport to meet the shipping needs of their on-line facilities.

There is no reason to believe that the shippers have experienced any inconvenience as the result of their switch to motor carrier transport, and as discussed above, Chaska Building Center made the switch on its own volition long before UP was forced to embargo the Line. Even if shippers have experienced some inconvenience, such inconvenience does not outweigh the economic harm that UP would incur if required to maintain operations over the Line. As succinctly summarized in Chicago and North Western Transportation Co. - Abandonment, 354 I.C.C. 1, 7 (1977):

"In numerous proceedings, the Commission has found that shippers are likely to incur inconvenience and increased transportation costs as a result of [a] proposed

⁵ Viewed from a Net Present Value ("NPV") perspective, assuming a 15 percent cost of capital, an upfront investment of \$5,939,000, and an annual net gain of \$136,413, the Line would generate a negative return of \$3,610,000 over a 15-year timeframe. (See **Appendix E.**)

abandonment, but these are not sufficient to outweigh the detriment to the public interest of continued operations of uneconomic and excess facilities [case citations omitted]. This is especially the case where alternate transportation is available " (Emphasis added).

Alternate transportation may be adequate even if it involves higher costs and some inconvenience. See, e.g., Alabama Public Service Commission v. ICC, 765 F.2d 1516, 1523 (11th Cir. 1985); Mississippi Public Service Commission v. ICC, 650 F.2d 551, 555 (5th Cir. 1981)

Almost every rail abandonment will result in some inconvenience or disruption to shippers and local communities. This disruption or inconvenience, however, is not a controlling determination Baltimore & Ohio Railroad Company - Abandonment, 328 I.C.C. 108, 115 (1965); Chicago, Milwaukee, St. Paul & Pacific Railroad Company Trustees - Abandonment, 228 I.C.C. 467, 477 (1938). If abandonment had to depend on proof that affected communities or shippers would suffer no inconvenience or economic loss, few, if any, lines ever would be abandoned. State of Nebraska v. United States, 255 F.Supp. 718, 722 (1966). The Board's duty lies not in determining the property rights of shippers who happen to be inconvenienced or forced out of business by abandonment, but in weighing the present and prospective need for a rail line, and the benefits resulting to the public therefrom, against the burdens, present and prospective, which might be imposed upon interstate commerce Confluence & Oakland R.R. Co. - Abandonment, 247 I.C.C. 399, 402 (1941).

Public convenience and necessity permit and require abandonment of the Line based on the evidence submitted by UP. UP's continued operation of the Line

would result in a substantial burden upon UP and upon interstate commerce, as UP's \$136,413 operating gain would not allow it to recoup the rehabilitation and rebuilding cost associated with the Line and its bridges. UP should not be required to support operations on this Line out of its other profitable operations. People of the State of Illinois v. ICC, 722 F.2d 1341, 1347 (7th Cir. 1983) (Congress' concerns are not merely procedural, but it believes that the railroads cannot continue to support deficit operations out of all-to-few profitable operations and therefore abandonments should be more freely permitted).

This argument holds even greater weight considering the fact that the Line's sole remaining shipper, United Sugars, adopted alternative motor carrier service to meet its shipping needs after the Line was taken out of service because of the destruction of the Destroyed Bridge at MP 37.14 bridge. There is no guarantee that if UP restored service over the Line, United Sugars would continue to use rail service during the long term. Any reduction or failure to use rail service on the Line by United Sugars in the future would further limit, or even eliminate, any return UP could generate from its substantial investment to reopen the Line.

THEREFORE, Union Pacific Railroad Company respectfully requests that the Board authorize abandonment of the Chaska Industrial Lead between MP 38.6 at Merriam, to MP at 33 0 in Chaska, in Carver and Scott Counties, Minnesota.

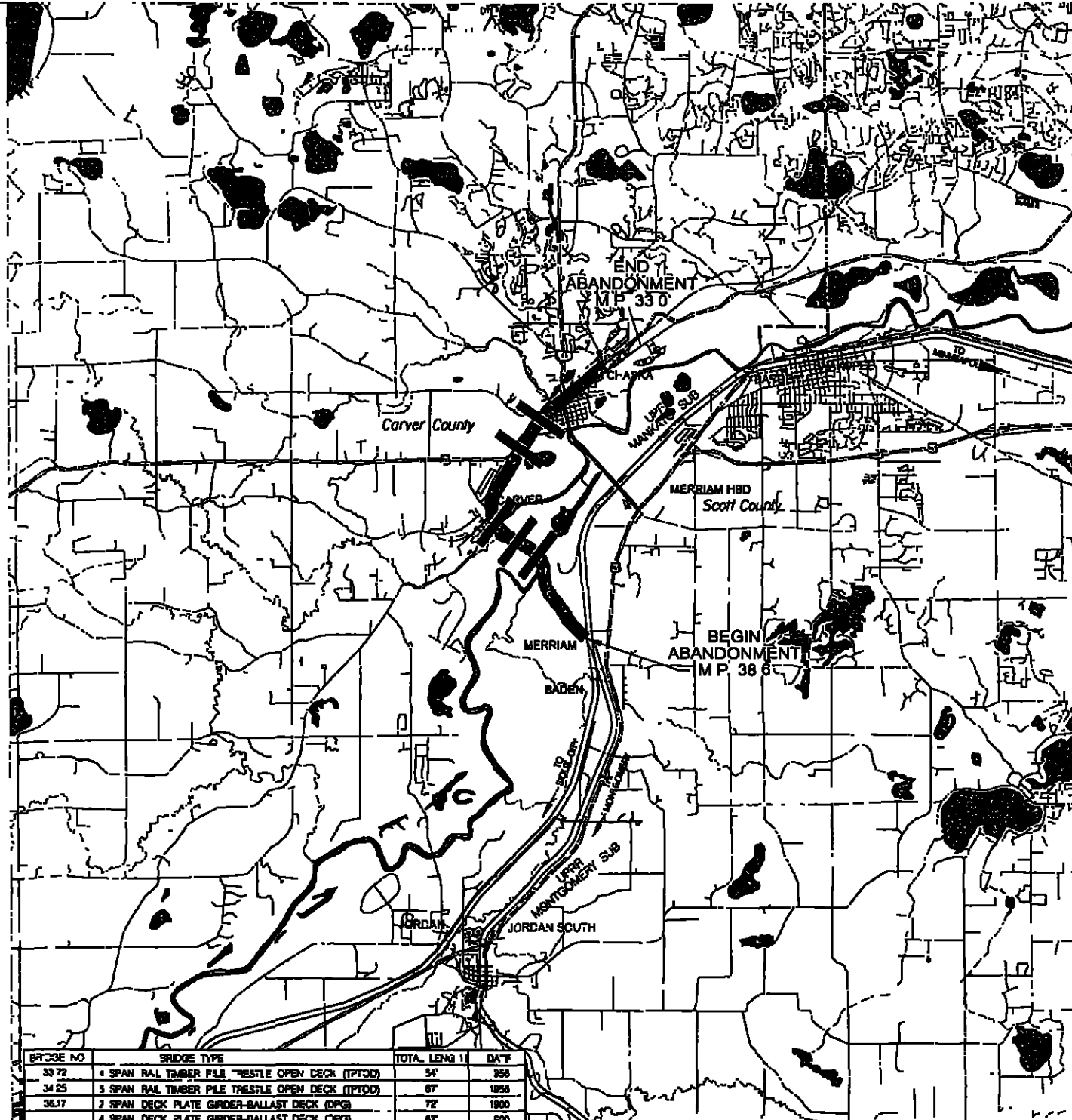
Dated this 11th day of December, 2007

UNION PACIFIC RAILROAD COMPANY



Gabriel S. Meyer
Assistant General Attorney
1400 Douglas Street
STOP 1580
Omaha, NE 68179
(402) 544-1658
(402) 501-3393 (FAX)

Appendix A



BRIDGE NO	BRIDGE TYPE	TOTAL LENGTH	DATE
33.72	4 SPAN RAIL TIMBER PILE TRESTLE OPEN DECK (TPTOD)	54'	1956
34.25	5 SPAN RAIL TIMBER PILE TRESTLE OPEN DECK (TPTOD)	67'	1956
36.17	2 SPAN DECK PLATE GIRDER-BALLAST DECK (DPG)	72'	1900
	4 SPAN DECK PLATE GIRDER-BALLAST DECK (DPG)	67'	1900
	1 SPAN 8"AM	32'	1900
	28 SPAN RAIL TIMBER PILE TRESTLE OPEN DECK (TPTOD)	371'	1900
36.77	38 SPAN RAIL TIMBER PILE TRESTLE OPEN DECK (TPTOD)	520'	1954
37.14	10 SPAN RAIL TIMBER PILE TRESTLE OPEN DECK (TPTOD)	36'	1947

LEGEND

- UPRR LINES TO BE ABANDONED
- OTHER UPRR LINES
- OTHER RAILROADS
- RAILROADS (abandoned)
- PRINCIPAL HIGHWAYS
- OTHER ROADS
- 50+ YEAR OLD STRUCTURES

CHASKA INDUSTRIAL LEAD

MP 33.0 TO MP 38.6
TOTAL OF 5.60 MILES
3.23 MILES IN CARVER COUNTY
2.37 MILES IN SCOTT COUNTY

UNION PACIFIC RAILROAD CO.
CHASKA INDUSTRIAL LEAD
MINNESOTA

INCLUDING 50+ YEAR OLD STRUCTURES

SCALE MILES

FILE: 0\abandonments\ab33_255_chaska_v8.dgn

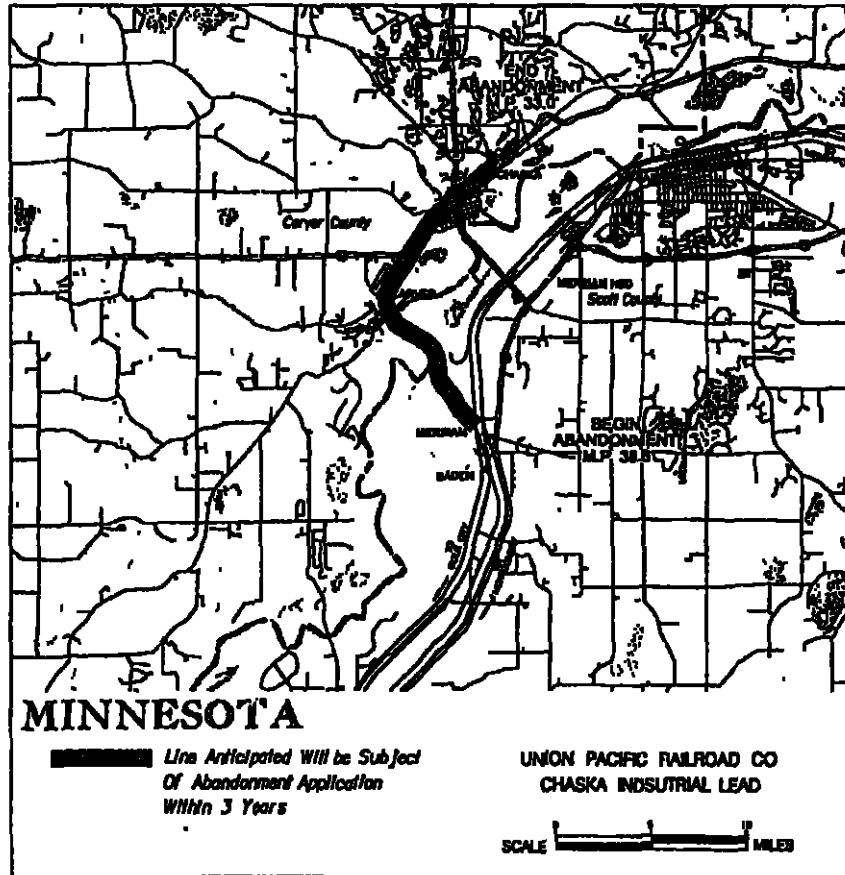
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APPENDIX B

NOTICE—SYSTEM DIAGRAM MAP

UNION PACIFIC RAILROAD COMPANY (AB-33) plans to file an updated System Diagram Map on or about April 26, 2007 and publishes this notice pursuant to the regulations of the Surface Transportation Board at 49 CFR 1152.12 and 1152.13. The rail line described below will be placed in Category 1 (rail lines anticipated will be the subject of an abandonment application within three years).

- a. Designation of Line: Chaska Industrial Lead
- b. State(s) in which located: Minnesota
- c. County(ies) in which located: Carver and Scott Counties, Minnesota.
- d. Mileposts Locations: From M.P. 33.0 near Chaska to M.P. 38.6 near Merriam, Minnesota (does not include industries at Merriam).
- e. There are no agency stations.



The color-coded System Diagram Map and line description for the rail line amended in the State of Minnesota will be provided upon request. Send \$15 to SYSTEM DIAGRAM MAP, Union Pacific Railroad Company, Mail Stop 1580, 1400 Douglas Street, Omaha, NE 68179.
(Published in the Shakopee Valley News on Thursday, April 26, 2007; No. 5638)

Appendix C

VERIFIED STATEMENT OF ABDOLLAH (ABE) GHAZAI

I. Qualifications

My name is Abdollah (Abe) Ghazai. I have been employed by Union Pacific Railroad Company ("UP") since 1982 and currently hold a position as Track Planning Engineer in the Engineering Services Department. My office address is 1400 Douglas Street, Omaha, Nebraska 68179. I was employed by Missouri Pacific Railroad Company ("MP") in the Engineering Department from 1978 until 1982 when UP acquired MP. I hold a Bachelor of Science degree in Industrial Administration from Pittsburg State University, Pittsburg, Kansas, and a Master of Arts degree in Management from Bellevue University, Bellevue, Nebraska.

I have a total of 29 years of experience working in railroad engineering-related capacities. I have worked in various maintenance-of-way positions, including track man and track machine operator. As a track man, I inspected and performed track maintenance activities, and as a track machine operator, I maintained track and railroad rights-of-way in accordance with UP and Federal Railroad Administration guidelines. I have also worked as a Supply System Analyst, Data Analyst, and Manager of Vegetation Control, prior to my current position as a Track Planning Engineer. In my current position as Track Planning Engineer, I have responsibility for preparing estimates for assessing net liquidation values on various types of track structures throughout the UP system, and for determining the costs of engineering programs and projects.

II. Summary and Background

I am familiar with the Chaska Industrial Lead (the "Line"), which is the subject of this abandonment application. The Line extends 5.6 miles from Chaska (Milepost 33.0) to Merriam (Milepost 38.6), in Scott and Carver Counties, Minnesota. While I have not personally inspected the Line, I have utilized information provided by UP's on-site field personnel and from the data available via UP's Engineering Facilities Information System to perform my analysis. The results of this investigation are detailed in the attached Exhibit 1 (Ordinary Maintenance Estimates) and Exhibit 2 (Cost of Rehabilitation (Material & Labor)), which document the specific characteristics and structures on the Line, and their associated maintenance costs. Based upon my analysis, I

conclude that normalized annual maintenance costs associated with the Line are nearly \$40,000.00 annually, and that restoring the Line to Class 1 standards would cost more than \$900,000. These calculations include only those costs associated with the Line's track structure and related components. They do not include the costs of rehabilitating, and in some instances rebuilding, the Line's numerous bridges, which alone are expected total \$5 million or more.

III. Analysis

a. Ordinary Maintenance

The Line's main track consists of 5.60 miles of single track on the right-of-way, between Mileposts 33.00 and 38.60. It is constructed with 115-pound jointed rail and is designated as Class 1 track. Exhibit 1 documents the Cost of Ordinary Maintenance of Track and Structures ("COMTS") for the Line. COMTS includes (1) an estimate for tie replacement of 270 cross ties per mile every eight years, which would require average spending of \$2,867 per track mile per year, (2) an estimate for surface and lining of the track structure to take place every eight years, averaging \$1,061 per mile per year, and (3) an estimate of road crossing protection system maintenance costs, which based upon a life cycle of 15 to 30 years, results in a cost of \$963 per track mile per year.

Exhibit 1 also documents the cost of non-programmed maintenance, which totals \$2,147 per track mile annually. This includes the cost of track crews and the non-programmed maintenance work they perform, including routine track and signal maintenance, vegetation control, rail replacement, and costs of associated materials.

The total cost of maintaining the Chaska Industrial Lead to Class 1 standards would be \$39,413 per year, or an average of \$7,038 per track mile. In my opinion, these calculations are conservative, as ongoing brush cutting may be required to provide necessary clearances along the Line and adequate visibility in the vicinity of grade crossings.

b. Line Rehabilitation

Exhibit 2 details my estimate of the cost of the materials and labor required to rehabilitate the Chaska Industrial Lead to FRA Class 1 standards. My cost calculations are also conservative, as I have not included expenses associated with track surfacing and lining, nor for vegetation control costs. Excluding these items, the rehabilitation cost of the Chaska Industrial Lead would be \$939,000.

c. Net Liquidation Value of Line Materials

Exhibit 3 contains my calculations of the Net Liquidation Value of the Line's materials (value of salvageable scrap and second-hand materials, minus cost of removal) which I calculate to be \$298,469.

III. Conclusion

The annual cost of ordinary maintenance of the Chaska Industrial Lead would be \$39,413. Rehabilitation of the full Line would cost an additional \$939,000. These amounts represent the cost of maintaining and upgrading the Line's track structure, and do not take into account substantial additional costs associated with bridge rehabilitation and reconstruction.

STATE OF NEBRASKA

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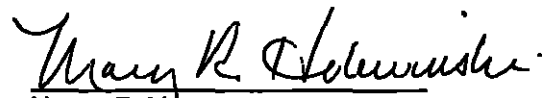
COUNTY OF DOUGLAS

Abdollah (Abe) Ghazai, being first duly sworn, deposes and states that he has read the above document, knows the facts asserted therein, and that the same are true as stated


Abdollah (Abe) Ghazai

SUBSCRIBED and SWORN to before me this 4th day of December 2007.




Notary Public

Exhibits

M P 33 00 to 38 60
M P 0 00 to 0 00

Equation:

5 60

ESTIMATED ANNUAL MAINTENANCE COST PER MILE FOR THE SEGMENT OF THE
between M.P. 33 00 and M P 38.60

CLASS 1 STANDARD

ROADWAY MAINTENANCE	QUANT	UNIT	COST/UNIT	CYCLE OR LIFE	AVE. COST PER MILE	FORECAST YEAR % DRI RATE	THE FORECAST TOTAL
PROGRAMMED TRACK MAINTENANCE:							
Replace Ties 270/mi ea 8 yrs	270	per mile					
Cross Ties 7 x 9 x 8' & Spikes	1 512	Each	\$38 50	8 yrs	\$1,299	0 996	\$1,312
Switch Ties (20% replacement)	214	Each	\$56 00	8 yrs	\$268	0 996	\$271
Replace cross ties	1 26	Days	\$22 500	8 yrs	\$633	1 016	\$639
Replace switch ties	10 70	Days	\$1,500	8 yrs	\$358	1 016	\$362
Company Service	725	Crew/Miles	\$9 00	8 yrs	\$146	1 016	\$147
Work Train Service	0 43	Days	\$1,000 00	8 yrs	\$10	1 016	\$10
Unload ties (Contract)	1,726	Each	\$0 50	8 yrs	\$19	1 016	\$19
Pick up & dispose of scrap ties (Contract)	1,726	Each	\$1 50	8 yrs	\$58	1 016	\$59
MSE	0 80	%			\$13		\$13
Sales Tax	4 00	%			\$63		\$63
					\$2,867		\$2,895
Surface and Line Track							
Ballast (5 cars/mile)	2,800	Ton	\$6 50	8 yrs	\$406	0 996	\$410
Unload Ballast	1	Days	\$2,000	8 yrs	\$50	1 016	\$51
Surface & Line Track	2	Days	\$10,000	8 yrs	\$417	1 016	\$421
Company Service	730	Crew/Miles	\$9 00	8 yrs	\$147	1 016	\$148
Work Train	1	Days	\$1,000 00	8 yrs	\$25	1 016	\$25
Sales Tax	4 00	%			\$16		\$16
					\$1,061		\$1,071
Road Crossings (5 Ea)							
Prefab crossings	40	Ft	\$70 00	15 yrs	\$33	0 996	\$33
Asphalt Crossings	40	Ft	\$85 00	15 yrs	\$40	0 996	\$40
Concrete Crossings	54	Ft	\$110 00	15 yrs	\$71	0 996	\$72
Gravel Crossing	72	Ft	\$10 00	20 yrs	\$6	0 996	\$6
Replace Road crossing material	17	Days	\$1,200	15 yrs	\$245	1 016	\$247
Flashing Lights	1	Pair	\$60,000	30 yrs	\$357	0 996	\$361
Install Flashing Lights	1	Pair	\$32 000	30 yrs	\$190	1 016	\$192
Crossbuck Signs	6	Each	\$110 00	20 yrs	\$6	0 996	\$6
Install Crossing Signs(X-bucks)	6	Each	\$70	20 yrs	\$4	1 016	\$4
Whistle Posts	7	Each	\$16 00	20 yrs	\$1	0 996	\$1
Install Whistle Post Signs	7	Each	\$70	20 yrs	\$4	1 016	\$4
MSE	0 80	%			\$1		\$1
Sales Tax	4 00	%			\$5		\$5

\$963

\$972

NON-PROGRAM TRACK MAINTENANCE	COST	UNIT	QUANTITY	AVE. COST PER MILE	FORECAST YEAR % DRI RATE	THE FORECAST TOTAL
3 man Section Gang (Foreman & 2 Sectionmen)	\$750	/Day	9	\$1,255	1 016	\$1 268
Track Inspector (Inspect Weekly) (40 miles/day)	\$350	/Day	7	\$455	1 016	\$460
Signal Maintenance - Crossing Protection-Labor	\$1 600	/Each	0	\$0	1 016	\$0
Signal Matenal	\$400	/Each	0	\$0	0 996	\$0
Rail Replacement 1 rail/3 miles	\$6 00	/LF	73	\$78	0 996	\$79
Vegetation Control	\$355 00	/M.le	8	\$355	1 016	\$359
Bridge Inspection	\$0 70	/LF	0	\$0	1 016	\$0
Bridge Maintenance	\$4 50	/LF	0	\$0	1 016	\$0
Bridge Matenal	\$4 50	/LF	0	\$0	1 016	\$0
MSE				0 80 %	\$1	\$1
Sales Tax				4 00 %	\$3	\$3
				<u>\$2,147</u>		<u>\$2 170</u>

NORMALIZED MAINTENANCE COST PER MILE PER YEAR = \$7,038 \$7,108

12/11/2007

TOTAL NORMALIZED MAINTENANCE COST PER YEAR = \$39,413 \$39 806

**Estimate for Track Upgrade Chaska Ind. Lead
5.54 Miles between MP 33.0 and MP 38.54**

Required	Unit	Class 2 Qty	Cost	Class 2 Total	Class 1 Qty	Class 1 Total
Ties	Ea	5263	\$105 00	\$552,615 00	3000	\$315,000 00
Ballast	Car	50	\$2,000 00	\$100,000 00	50	\$100,000 00
Switch Ties	Ea	200	\$150 00	\$30,000 00	200	\$30,000 00
Road Crossings	Ft	520	\$950 00	\$494,000 00	520	\$494,000 00
Total Amount				\$1,176,615.00		\$939,000.00

NET LIQUIDATION VALUE OF TRACK & BRIDGES

Chaska Ind. Ld. MP 33.0 Chaska, to MP 38.6, near Merriam, MN.

11-Dec-07

M.P. 33.00 TO 38.60 = 5.60 TRACK MILES
 MISCELLANEOUS SIDINGS = 0.34 TRACK MILES
5.94 TOTAL T.M.S

TRACK COMPONENTS -

Rail Weight	RAIL		OTM	SWITCHES			Net Tons	NET TONS		
	Track Miles	Net Tons	Net Tons	No 7	No 8 5 & No. 9	No. 10				
136#		0.00	0.00				0.00	0.00		
133#		0.00	0.00				0.00	0.00		
132#		0.00	0.00				0.00	0.00		
131#		0.00	0.00				0.00	0.00		
119#		0.00	0.00				0.00	0.00		
118#	5.60	1133.44	343.36		1		4.87	1481.67		
113#		0.00	0.00				0.00	0.00		
112#		0.00	0.00				0.00	0.00		
100#		0.00	0.00				0.00	0.00		
90#	0.34	53.86	13.29	2			5.99	73.14		
85#		0.00	0.00				0.00	0.00		
80#		0.00	0.00				0.00	0.00		
72#		0.00	0.00				0.00	0.00		
Total:	5.94	1187.30	356.65				10.86	1554.81		

TIES

SWITCH TIES 145 EA
 CROSS TIES 17692 EA
TOTAL TIES 17837 EA

CURRENT MARKET VALUE

VALUE OF TRACK COMPONENTS

MAIN & SIDE TRACKS	377.73 N.T. x	\$350.00 /N.T. =	\$132,206	Reroll Rail
MAIN & SIDE TRACKS	129.60 N.T. x	\$250.00 /N.T. =	\$32,376	Scrap Rail
MAIN & SIDE TRACKS	680.06 N.T. x	\$550.00 /N.T. =	\$374,036	No 3 Qual Rail
O T M & Turnouts.	367.51 N.T. x	\$270.00 /N.T. =	\$99,229	Scrap Material
SWITCH & CROSS TIES	892 ea. x	\$9.00 ea. =	\$8,027	Reusable Ties
SWITCH & CROSS TIES :	2,676 ea. x	\$5.00 ea. =	\$13,378	Landscape #1 Ties
SWITCH & CROSS TIES	3,567 ea. x	\$3.00 ea. =	\$10,702	Landscape #2 Ties
SWITCH & CROSS TIES	10,702 ea. x	\$0.00 ea. =	\$0	Scrap Ties

TOTAL TRACK VALUE \$669,652

BRIDGE VALUE \$18,740

TOTAL VALUE \$688,392

REMOVAL COSTS

TRACK REMOVAL	5.94 T M @	\$8,500 Per Mile	\$50,522
SWITCH & CROSSTIES	17837 Ea @	\$3.00 Ea	\$53,511
BRIDGE REMOVAL COSTS	1 Lot @	\$274,800.00 Per Lot	\$274,800
RD CROSSING REMOVAL	134 Feet @	\$85.00 Per Ft.	\$11,390

TOTAL REMOVAL \$390,223

NET LIQUIDATION VALUE \$298,169

Appendix D

VERIFIED STATEMENT OF JAN JAROSZ

I. Qualifications

My name is Jan Jarosz. I am a Manager of Structures Design for Union Pacific Railroad Company's ("UP's"), Bridge and Structures Design Department. My address is 1400 Douglas Street, Omaha, Nebraska 68179. I have been employed by UP since 1998. I have over 35 years professional experience in civil/structural and bridge engineering.

My education includes a Bachelors and a Masters Degree in Civil/Structural Engineering with a specialization in Heavy Industrial and Municipal Construction from Krakow Technical University, a Ph.D in Technical Sciences with a specialization in Reinforced Concrete Structures from Krakow Technical University, and a Postgraduate/Postdoctoral Study in Pavements at the University of Texas at Arlington. In addition, I have completed numerous continuing education professional courses in structures and in management. Prior to employment with UP, I worked as a civil/structural engineer, quality control and scheduling manager, project superintendent, and a project manager for general contractors on various construction projects in the United States and abroad. I have also been heavily involved in design, forensic expert consulting, evaluation of structures, non-destructive testing, and laboratory and scientific structural and concrete research. I have taught various undergraduate and graduate university courses in Structures, Reinforced Concrete, Construction Materials, Construction Management, and Soil Mechanics and Foundations, at the University of Texas, Colorado School of Mines, and abroad.

In my current position, as a Manager of Structures Design, I am responsible for performing and supervising a variety of tasks across the UP rail network. My duties include

- Maintaining the load-bearing rating (maximum allowable gross weight) classification of bridges and rail lines across the UP system.
- Managing and overseeing the upgrading of UP rail lines to heavy axle load ("HAL") capacity status,
- Issuing permits for safe movement of heavy/special loads over UP rail lines and bridges;

- Identification of overstressed bridges;
- Maintenance of the list of bridges requiring increased inspection frequencies,
- Maintenance of a database that lists system-wide bridge defects and contains statistical information.
- Providing design support for construction and monitoring of new bridges, and for rehabilitation and strengthening of existing bridges,
- Inspection and analysis of challenged bridges;
- Special projects and oversight of bridge-related work performed by outside consultants, including analysis of the adverse effect "short" cars (i.e. cars shorter than standard cars of the same gross weight) on bridges, bridge replacement studies, and bridge stress analyses

II. Summary and Background of the Line

In this statement, I provide information about each of the bridges located on UP's Chaska Industrial Lead (the "Line") and the costs of bridge repair work needed to restore and maintain service on the Line. As part of my evaluation of the Line's Bridges, I personally inspected the line on October 11, 2007. The Line is currently out of service due to the destruction of a bridge over a tributary of the Minnesota River, located at MP 37.14 (the "Destroyed Bridge"). (See Exhibit 7.) In addition to the Destroyed Bridge at Milepost 37.14, which was destroyed as a result of a derailment caused by flood conditions in March 2007, most of the Line's bridges are at or beyond the end of their useful service lives. Replacing the Destroyed Bridge and repairing the Line's other bridges will cost approximately \$5 million.

The Chaska Industrial Lead extends 5.6 miles from Chaska (Milepost 33.0) to Merriam (Milepost 38.6), in Carver and Scott Counties Minnesota. The Line was originally constructed by Minneapolis and St. Louis Railroad ("M&STL") in 1890. It was later acquired by Chicago & North Western Railway ("CNW") in November 1960. Subsequently, CNW was merged into UP in April 1995. The Line connects to the main line of UP's Mankato Subdivision, near Merriam Station No. SX032. The Line is a 268K-classified line, which allows standard, four-axle rail cars with gross weights of up to 268,000 pounds to routinely utilize it.

III. Analysis

I conducted my review of the Line's bridges I relied upon 1) my field observations during my October 11, 2007 site visit to the Line, and 2) available documentation pertaining to the bridges of the Line. The documentation included

- Engineering Structures Management bridge records (commonly known as Bridge Books) with inspection observations entered by UP bridge inspectors about the condition of bridges;
- UP's Condensed Profile showing the Line's alignment, stations location (with milepost), and bridges;
- M&STL and CNW drawings of the bridges,
- UP's timetable and pertinent general orders for the Mankato Subdivision, which include the Chaska Industrial Lead, and
- Photographs of the bridges.

A. The Line's Bridges

There are seven bridges on the Line, located at the following Mileposts. 33.72, 34.25, 34.75, 36.17, 36.77, 37.14, and 37.35. Additionally, there are two culverts measuring 4 feet and 5 feet in diameter, located under the track at Mileposts 35.09 and 35.27, respectively. Except for a ballast deck bridge at Milepost 34.75, all bridges on the Line are open deck bridges. Four bridges (MP 33.72, 34.25, 36.77, and 37.35) are timber bridges, one bridge (MP 34.75) is a steel through plate girder bridge, and one bridge (MP 36.17) is a mixed structure, with Segment A built of timber (west approach to the river, two spans), Segment B built of steel (beam span over a road), Segment C built of timber (eleven spans), Segment D built of steel (the main Segment over the river, with six deck plate girder spans on concrete and/or masonry piers), and Segment E built of timber (fifteen spans of west approach to the river).

Except for the bridge over the Minnesota River at MP 36.17, which was constructed in 1900, and a relatively new bridge at MP 34.75, built in 1990 (see Exhibit 4), the rest of the bridges

were built between 1946 and 1958. All bridges, including the track on the bridges, are included in this review.

B. Bridge Restoration Requirements

The Destroyed Bridge, which crosses a tributary of the Minnesota River at Milepost 37.14, was destroyed in March 2007 as the result of flood conditions. It was originally built on the outside of curving bend of the Minnesota River and spanned the side overflow (backwater drainage) of the river. The bridge, which was built in 1947, had an open-deck timber structure with 19 spans, and measured 136 feet long with a maximum height of 30 feet. The debris from the Destroyed Bridge has been removed. UP will need to construct a completely new bridge at this location in order to restore rail service over the Line, at a cost of approximately \$816,000.

The condition of the Line's other bridges is mixed. Although the useful lifespan of bridges may vary depending upon the quality of construction, local environmental conditions, utilization, traffic volumes, and past maintenance practices, the typical useful life-span of timber railroad bridges is 60 years. Steel bridges have an expected lifespan of 75 to 100 years. Except for the steel through plate girder at MP 34.75, all of the Line's bridges are either near, at, or beyond the end of their useful life-spans. The continued use of such aging bridges normally results in significant increases in cost of keeping them safe and in service.

Of the six existing bridges on the Line, the bridge in the best condition is the steel through plate girder bridge at MP 34.75. It is 17 years old, and at this time, it does not require any work other than routine inspections.

At the other end of spectrum is the Minnesota River bridge at Milepost 36.17, which at 814 feet in length is the longest bridge on the Line. In its present condition, the bridge exhibits a "snake-like" shape of its deck (visible to the naked eye) in both its horizontal and vertical dimensions. (See attached photos, Exhibit 5.) The main reason is the movement of the concrete Pier #5 in Segment D, which over time has been pushed several feet downstream by the river's currents. It has also settled vertically by a few feet. The river bottom is scoured in the vicinity of Piers #5, 6, and 7, which may result in further stability and strength problems.

During the Line's final days in active service before the destruction of the Destroyed Bridge at MP 37 14, the speed on the Minnesota River bridge (MP 36 17) had been restricted to 5 mph ("walking" speed), as opposed to the 10 mph general speed restriction on the rest of the Line. Segment D of the bridge requires major rehabilitation, which includes: 1) strengthening and stabilization of deteriorated Pier #5, 2) realigning/straightening the track both horizontally and vertically, 3) making repairs to address the deterioration of the bridge's steel components, stone surfaces, concrete piers, and ties, and 4) addressing the potentially dangerous scour issue. Additionally, due to their advanced age (already well beyond the average typical useful life span) the entire timber Segments A, C, and E should be replaced due to their age and deteriorated condition.

Because of the extensive rehabilitation work that would be required to extend the life of the bridge, which will cost an estimated \$3,468,500 or more, complete replacement of the bridge may be a more viable and cost-effective alternative. I estimate that the replacement cost of the bridge would be between \$7 and \$8 million, with costs most likely to be near \$8 million because of the bridge's height and the need to construct it over a large body of rapidly flowing water. While this replacement of this bridge will cost substantially more than rehabilitation, in the long-run, replacement may be the more cost-effective alternative. The Minnesota River bridge is near the end of its useful life, and even if rehabilitated, it would still likely require replacement in approximately 10 to 20 years.

The Line's other four timber bridges (located at Mileposts 33.72, 34.25, 36.17, and 37.35) exhibit different degrees of deterioration and each requires extensive repair work. The Milepost 34 25 bridge presents a special situation, as the surrounding terrain has been re-configured to accommodate adjacent road construction. Although there is no identifiable body of water at the bridge location, there is a large depression that collects water and causes decay of the bridge. It would need to be confirmed by a Hydrology and Hydraulics study, but it appears that the bridge could be removed and disposed of, and the depression filled for a cost of approximately \$27,000.

The two culverts on the Line require only a minor work. The culvert at MP 35 09 (60 feet long) requires repair of scour and a sharp drop next to it. The other culvert, at MP 35 27 (40 feet long) is silted and partially blocked and needs thorough cleaning.

In line with the above-mentioned considerations, I estimate the total, up-front cost of restoring all the bridges and culverts of the Chaska Industrial Lead to 268K standards to be \$4,759,500 dollars, or approximately \$5.0 million with the inclusion of a 5% contingency factor to cover the cost of unknowns (determined by needed underwater inspection, extent of scour around piers, progressing further deterioration) and the cost of additional engineering and design work. This does not include the cost of replacing the Minnesota River Bridge. The breakdown of the total amount between the individual Bridges and Segments is as follows:

Bridge MP 33 72	\$ 60,000	(Exhibit 2)
Bridge MP 34 25	\$ 27,000	(Exhibit 3)
Bridge MP 34 75	\$ 0	(Exhibit 4)
Culvert MP 35.09	\$ 2,000	
Culvert MP 35 27	\$ 1,000	
Minnesota River Bridge		
MP 36 17 Segment A	\$ 130,000	(Exhibit 5)
Segment B	\$ 40,000	(Exhibit 5)
Segment C	\$ 786,500	(Exhibit 5)
Segment D	\$1,300,000	(Exhibit 5)
Segment E	\$1,212,000	(Exhibit 5)
Bridge MP 36 77	\$ 160,000	(Exhibit 6)
Destroyed Bridge MP 37 14	\$ 816,000	(Exhibit 7)
Bridge MP 37 35	<u>\$ 225,000</u>	(Exhibit 8)
Total Bridges and Culverts =	\$4,759,500	
Contingency ~5% =	<u>\$ 240,500</u>	
Grand Total Bridges and Culverts:	\$5,000,000 (up-front cost to restore the service)	

Following completion of restoration work, and in the absence of any unforeseen events, I estimate that the annual cost of maintenance for the Line's bridges will be \$5,000.00 annually. This includes the cost of ongoing bridge inspections, removal of debris, and replacement of worn structural components, including walkways and ties. The attached Exhibit 1 ("Chaska Ind Lead Bridge Work") shows the scope of bridge work and related cost estimates.

IV. Conclusion

With only one exception, the bridges on UP's Chaska Industrial Lead are near, at, or beyond the end of their useful services lives. The Destroyed Bridge at Milepost 37 14 requires total replacement, while the Minnesota River Bridge at Milepost 36 17 requires extensive rehabilitation or complete replacement. Total reconstruction and rehabilitation costs for all of the Line's bridges will cost approximately \$5 million. This amount may be as much as \$9 5 million if UP undertakes complete replacement of the Minnesota River Bridge, which would be the preferred alternative in order to extend the life of the Chaska Industrial Lead.

STATE OF NEBRASKA

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COUNTY OF DOUGLAS

Jan Jarosz, being first duly sworn, deposes and states that he has read the above document,
knows the facts asserted therein, and that the same are true as stated


Jan Jarosz

SUBSCRIBED and SWORN to before me this 5th day of December 2007


Notary Public



Exhibits

Exhibit 1

Estimated Bridge Rehabilitation and Reconstruction Costs

CHASKA INDUSTRIAL LEAD										
Scope of bridge work and cost estimates to put the line back in service (Data as of 10/16/07)*										
STRC NBR	STRUC TYPE	YEAR BLT	TOTAL LGTH	GENL DISC	OVER/ UNDER	Major deficiencies and scope of work	Action needed	Units	Unit Price \$	Estim Cost \$
33 72	BRIDGE	1958	54 28	(4) 8TOD-64 [INDL]	Drainage	Weakened Bent 43 three-ply stringer chords decayed backwall 6 bad ties. The age of the bridge is close to the end of useful life of a typical timber bridge.	Repair the bridge	1	60 000	60 000
34 28	BRIDGE	1958	88 54	(5) 8TOD-87 [INDL]	Creek	Defective craning in Bents 3-5, footwalk loose debris accumulating 12 bad ties. The age of the bridge is close to the end of useful life of a typical timber bridge. The surrounding terrain was re-configured during road construction and there is no creek anymore (only a depression that collects water and causes decay). After confirming by M&H study the bridge could be removed/deposited and the hole filled at a total cost of \$135K.	Repair the bridge, plan for its removal	1	27 000	27 000
34 76	BRIDGE	1900	80	(1) 12C-50 [INDL]	Chaska Spkway	Railgrade in relatively good condition	Monitor the bridge	1	0	0
35 06	CULVERT	1900	80	(1) 12C-50 [INDL]	Chaska Spkway	Scour on left side and 6' drop.	Repair the culvert	1	2 000	2 000
35 27	CULVERT	1900	40	(1) 12C-50 [INDL]	Chaska Spkway	Barrel tilted.	Repair the culvert	1	1 000	1 000
36 17	BRIDGE	1900	814 46	See the individual Segments below	Minnesota River	The bridge consists of five distinct Segments (A, B, C, D and E). For deterioration and scope of work and cost estimates see the individual Segments.	See the individual Segments	1	0	0
36 17	BRIDGE	1900	814 46	(2) 8TOD-26	Minnesota River	Segment A: The age of the Segment is well beyond the useful life of a typical timber bridge. Only three-ply stringers, deficient pile, missing part of backwall. 3 bad ties. Full restraint needed.	Replace Segment A	26	5 000	130 000
36 17	BRIDGE	1900	814 46	(1) 12C-50	Minnesota River	Segment B: Corroded upper flange of beams (old bridge) close to the end of useful life of a typical steel bridge. Full restraint needed.	Repair Segment B	1	40 000	40 000
36 17	BRIDGE	1900	814 46	(11) 8TOD-143	Minnesota River	Segment C: The age of the Segment is well beyond the useful life of a typical timber bridge. Only three-ply stringers, deficient bracing in Bents 10&11, bad caps in Bents 8 & 9, 10, covered condition of Bents 4&5. Full restraint needed.	Replace Segment C	143	5 500	786 500
36 17	BRIDGE	1900	814 46	(6) 12C-50-413	Minnesota River	Segment D: Unlabeled track (both horizontally and vertically) shifted and settled. Pier D is deteriorated stone and concrete pier, spalls (cracks around Pier D), (D) A concrete (steel) pile cap (see notes) (D) A concrete (steel) pile cap (see notes). Full restraint needed. Old bridge close to the end of useful life of a typical steel bridge.	Major rehabilitation of Segment D is needed	1	1 300 000	1 300 000
36 17	BRIDGE	1900	814 46	(15) 8TOD-202 [INDL]	Minnesota River	Segment E: The age of the Segment is well beyond the useful life of a typical timber bridge. Only three-ply stringers, bad caps in Bents 3, 6, 8, 11, 12, 13, bad piles in Bents 2, 3, 6, 10. Framed Bent 1, bad X-bracing in Bent 2, few bad ties, debris pushing against pile supports and breaking them. Full restraint needed.	Replace Segment E	202	6 000	1 212 000
36 77	BRIDGE	964	626 43	(30) 8TOD-528 [INDL]	Drainage	Deteriorated ineffective X-bracing in 34 bents. Bad piles in 10 Bents. Bad cap in Bent 29. Five bad ties. Unlabeled condition of Bent 40. Full restraint needed. The age of bridge is close to the end of useful life of a typical timber bridge.	Repair the bridge	1	180 000	180 000
37 14	BRIDGE	1947	136 88	(10) 8TOD-136 [INDL]	Drainage	The 1947 bridge was washed away completely. There is no more bridge at this location.	Build a new bridge	136	6 000	816 000
37 35	BRIDGE	1958	184 48	(12) 8TOD-184 [INDL]	Drainage	Snag bad ties (30% of total). Only three-ply stringers. Bad caps in Bents 5 and 7. Bad pile in Bent 13. Bent X-bracing in Bent 6. The age of the bridge is close to the end of useful life of a typical timber bridge.	Repair the bridge	1	225 000	225 000
Totals								All	All	4 788 500
Contingency (-5%) for unknowns, underwater inspection, scour extent, engineering, etc.										240 000
Grand Total for up-front, bridge restoration work, \$ =										5,000,500
Subsequent Annual Bridge Maintenance Costs										
Track 5.2 miles										
After performing the above listed, up-front work to bring the line back to service, the subsequent Annual Bridge Maintenance Cost is expected to be within \$5,000 (five thousand US dollars) per year (for drift/debris removal, inspections, replacement of worn structural components, walkway ties, etc.).										
The rail on the Lead is 112 lb and 115 lb per yard. If not deteriorated/worn excessively it should be sufficient for current use by standard cars of 268 000 lbs gross weight. However, there may be some other track work required between bridges, e.g. replacement of ties, weeds removal, bad track condition, culverts that are plugged or collapsing, etc. The scope of such track work and its actual cost should be obtained from the Track Department.										

* NOTES

- If this spreadsheet is used at a later time, always verify the data listed above with the latest Bridge Book.
- For details of deficiencies and their exact location and severity, see the Bridge Book inspection records.
- This scope of work and cost estimate is not intended as a substitute of design required for field work.
- As in any rehabilitation work, the final scope of work and cost estimate may significantly vary. A bigger up-front investment should reduce the current and future risks and maintenance needs. Presented here is what is believed to be an optimal balance.
- The final cost may easily be 20% higher or lower depending on some unknowns and how much work is done up-front.
- Based on past satisfactory performance, the unknown M-conditions are assumed as barely adequate for current traffic. However, since they can worsen over time, some 5-contingency is added. Make reasonable effort to determine their condition wherever it is feasible (e.g. inspect in dry season at low water, uncover, etc.) and repair/replace them accordingly.

EXHIBIT 2
Milepost 33 72 Bridge



EXHIBIT 3

Milepost 34.25 Bridge



EXHIBIT 4
Milepost 34.75 Bridge



EXHIBIT 5

Milepost 36 17

(Minnesota River) Bridge
Segments A & B

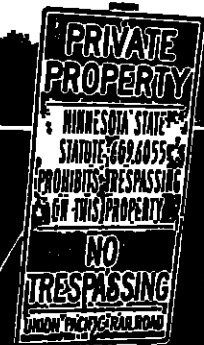


EXHIBIT 5
Milepost 36 17 (Minnesota River) Bridge
Segments B & C

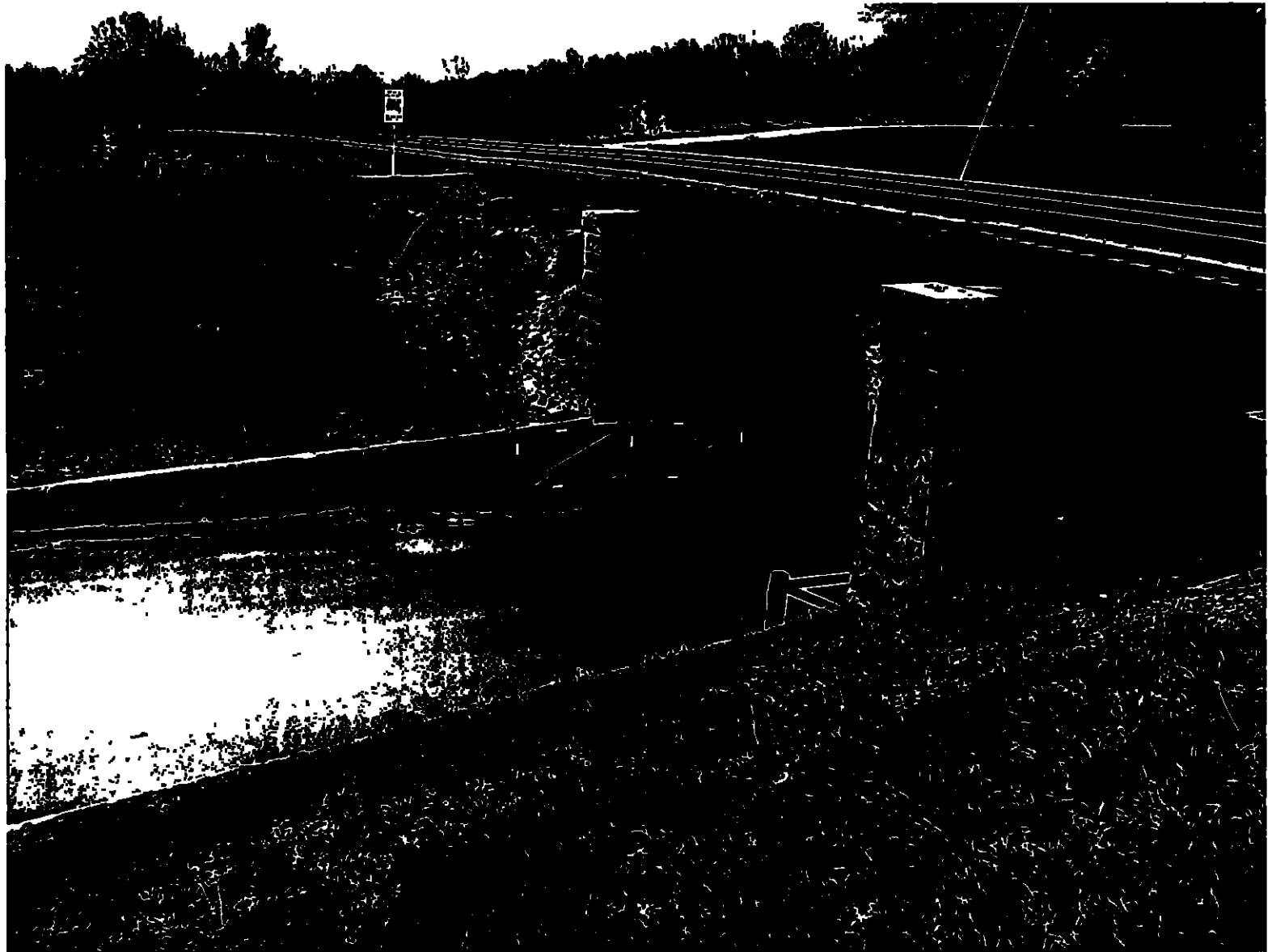


EXHIBIT 5

Milepost 36 17 (Minnesota River) Bridge
Segments C & D



FX111371 5

Milepost 36 17

(Minnesota River) Bridge

Segment D



EXHIBIT 5
Milepost 36 17 (Minnesota River) Bridge
Segment D

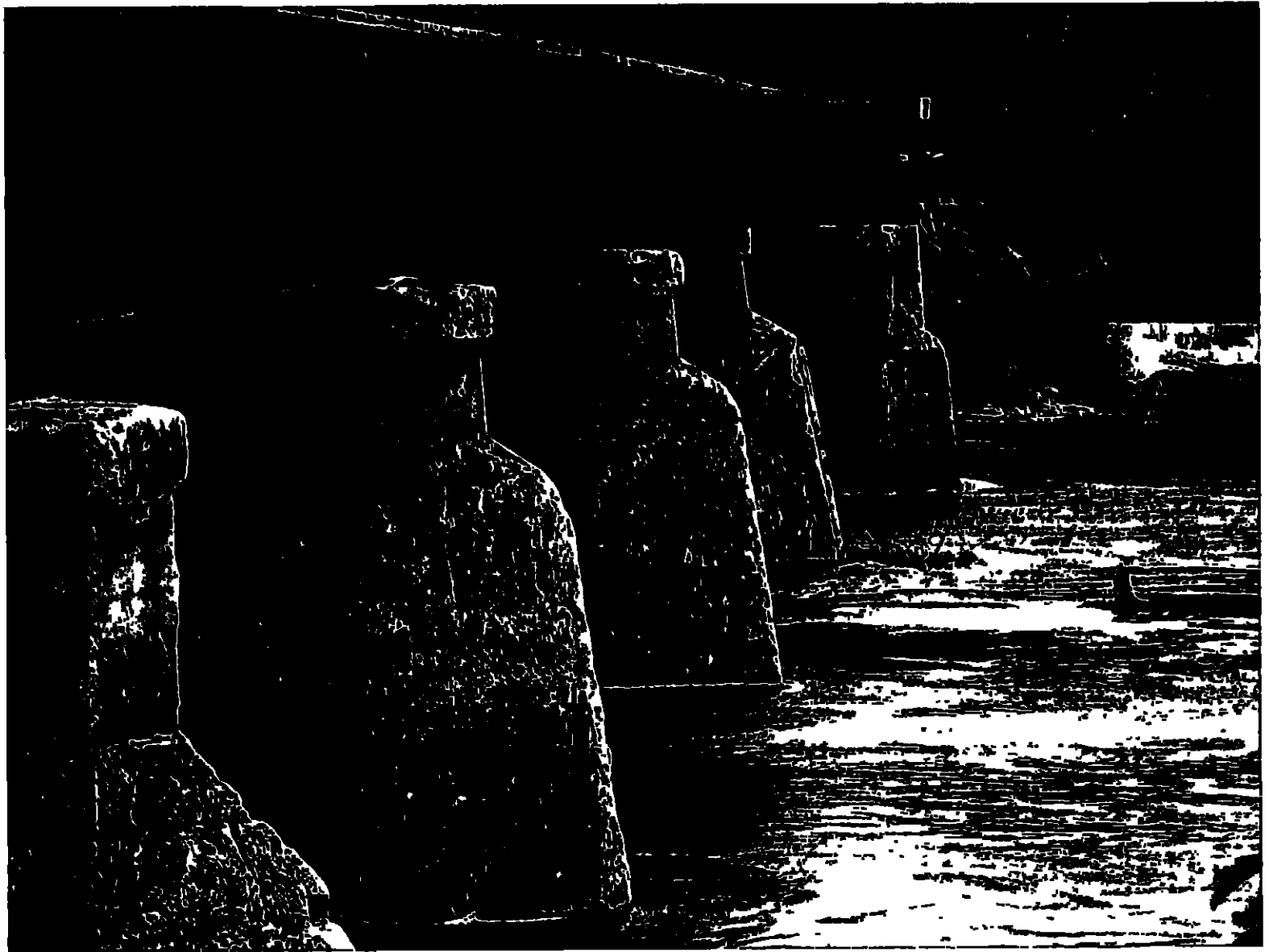


EXHIBIT 5
Milepost 36 17 (Minnesota River) Bridge
Segment E



EXHIBIT 5
Milepost 36 17
(Minnesota River) Bridge
Unlevel/Warped Track



EXHIBIT 6
Milepost 36.77 Bridge



EXHIBIT 7
Milepost 37 14 Bridge
Destroyed Bridge



FX111B11 8
Milepost 37.35 Bridge



Appendix E

VERIFIED STATEMENT OF MICHAEL N. DRELICHARZ

My name is Michael N. Drelicharz. I am a Senior Project Manager of Economic Research and Analysis for Union Pacific Railroad Company ("UP"). My office address is 1400 Douglas Street, Omaha, Nebraska 68179. I hold a Bachelor of Science degree in Business Administration from the University of Nebraska at Omaha. I began my employment with UP in 1987. Throughout my career at UP, I have worked in various finance-related positions, including internal audit, tax, and planning and analysis.

I. Introduction and Background

The purpose of this statement is to provide information regarding the financial results of UP's operation over the Chaska Industrial Lead (the "Line"), which is the subject of UP's abandonment application, and extends 5.6 miles from Chaska (Milepost 33.0) to Mernam (Milepost 38.6), in Scott and Carver Counties, Minnesota. I also explain how revenues and on-branch and off-branch cost components included in the attached financial exhibits were developed. The Work Papers used to develop revenues and avoidable costs documented in the attached Work Papers numbered 0001 through 0120.

II. Revenue and Cost Data (Exhibit 1)

Exhibit 1 provides revenue, cost and subsidy data for the Line for the Base Year ending February 28, 2007 and the Forecast Year from December 1, 2007 through November 30, 2008. Exhibit 1 is prepared in accordance with 49 C.F.R. §§ 1152.31-34. I utilized UP's 2006 STB Annual Report (R1) (Work Papers 0001-0017) as well as the 2005 Uniform Railroad Costing System ("URCS") (Work Papers 0018-0028) in creating the exhibit. The Base and Forecast Years' on-branch and off-branch expenses reflect the use of Global Insight, Inc.'s latest Producer Price Index ("PPI") for Finished Goods less Food and Energy (Work Papers 0029-0036). Below is an explanation of each line item of Exhibit 1.

a. Revenues - Exhibit 1

Line 1 on page 1 represents the total system revenues earned by UP for hauling traffic originating or terminating on the Line (Work Papers 0037-0046). I have shown the base and Forecast Years' revenue for all traffic, broken down by origin/destination pairs. Line 2 represents revenue earned from bridge traffic on the Line. Since no bridge traffic utilizes the Line, there is no bridge traffic-related revenue. The forecast revenue reflects an 11.4 percent rate increase that occurred before April, 2007 and an

additional 4.5 percent rate increase that became effective on November 1, 2007. Line 3 represents all other revenues earned by UP from the Line. Line 4 provides the total revenue attributable to the Line and is the sum of lines 1 through 3.

b. Avoidable On-Branch Costs (Operations) - Exhibit 1

Lines 5(a) through 5(k) on page 1 represent the avoidable on-branch costs associated with the Line's operation.

1. Train Operating Costs

In the Base Year, a two-person crew (train/job assignment identifier LTU23) based out of New Prague, MN made 154 roundtrips to deliver and pick up the 764 cars of sugar generating by the Line, using one 2,000 horsepower locomotive. The sugar moved in single-carload movements. The 154 roundtrips generated 616 locomotive on-branch hours and 1,725 locomotive on-branch miles. There were four hours of avoidable crew overtime cost when LTU23 had to serve the Line. The Base Year has actual avoidable crew wages without fringe benefits of \$46,537. The Forecast Year reflects the same operating parameters as the Base Year (Work Papers 0047-0050).

2. Maintenance of Way and Structures Costs

Maintenance of Way and Structures costs for the Base Year and Forecast Year are based on normalized maintenance levels necessary to keep the Line at Class I standards for the long term (Work Papers 0051-0054) and is computed in the accompanying Verified Statement of Abdollah (Abe) Ghazal.

Maintenance of Equipment costs (Work Papers 0092-0096) includes locomotive repair and maintenance and depreciation costs allocated to the Line by on-branch locomotive hours and miles. For the Forecast Year, locomotive repair and maintenance is \$1,509 and locomotive depreciation is \$1,830.

3. Transportation Costs

Transportation costs (Line 5c) include crew wages, locomotive fuel, train inspection and supplies, and locomotive servicing. These costs are allocated to the Line based upon on-branch avoidable crew wages, locomotive hours and miles (Work Papers 0047-0050). I calculated avoidable crew wages per trip, based on the 4 hours required to serve the Line, all of which would be avoidable overtime. The following is a breakdown of the on-branch transportation costs of \$148,875 for the Forecast Year.

Avoidable Crew Wages	\$66,234
----------------------	----------

Train Inspection Lubrication	\$8,453
Train Fuel	\$73,774
Locomotive Servicing	\$414
Total On-Branch Transportation Costs	<u>\$148,875</u>

4. Freight Car Costs

Freight Car Costs are calculated using unit costs developed in accordance with Surface Transportation Board regulations and URCS costing methodology (Work Papers 097-0110) On-branch freight car cost non-ROI for the Forecast Year is \$49,480

Return on Value - Locomotives is based on the replacement cost of a rebuilt low horsepower locomotive at \$185,000

Return on Value - Freight Cars is based on the current replacement cost for railroad-owned cars which is either buying new or buying used and overhauling/rebuilding. The covered hopper car cost is based upon the cost of similar new equipment, which costs \$75,000 per car

c. Avoidable Off-Branch Costs (Operations) - Exhibit 1

Lines 6(a) and 6(b) on page 1 represent the avoidable off-branch costs for local or interline traffic which either originates or terminates on the Line and was computed using URCS (Work Papers 0080-0088) Line 6(d) represents the Make-Whole add-on costs calculated using the 2005 UP Manual Make-Whole data sheet and Appendix A worksheet (Work Papers 0070-0075) This cost represents only the off-branch portion (Work Papers 0070-0075)

Line 7 on page 1 is the total avoidable cost incurred in operating the Line and is the sum of line 5 and line 6

d. Avoidable Gain (Loss) from Operations - Exhibit 1

The total—line 4 minus line 7—appearing immediately below line 7 on page 1 is the gain (loss) resulting from operation of the Line, excluding rehabilitation and return on value for road property As calculated, UP's operations would result in a small operating gain of \$136,413 during the Forecast Year

e. Subsidization Costs - Exhibit 1

Page 2 of Exhibit 1 shows estimated subsidy costs for the Base Year and Forecast Year Line 8 on page 2 represents the rehabilitation expense necessary for the Line This expense is comprised of

\$5,000,000 for bridge construction and repair¹, which includes the cost of rebuilding a bridge at Milepost 37 14 that was destroyed as the result of a flooding-caused train derailment, and \$939,000 for track rehabilitation. The bridge and track rehabilitation costs, which total \$5,939,000, are detailed in the accompanying verified statements of Abdollah (Abe) Ghazai (Appendix C) and Jan Jarosz (Appendix D). Given the small operating gain of \$136,413 for the Forecast Year, this would not provide an adequate return on the investment of \$5,939,000 that would be required to reopen and maintain the Line. The Net Present Value at a 15 percent return, with an upfront investment of \$5,939,000 and a small annual cash flow of \$136,413, would generate a negative return of \$3,610,000 over a 15-year timeframe.

Line 9 on page 2 shows the administrative costs of \$9,012, that would be incurred by UP if the Line were subsidized. It is computed in accordance with 49 C.F.R. § 1152.32(k), by taking one percent of the total annual revenues attributable to the Line in the estimated subsidy year.

Line 10 on page 2 represents the amount required for UP to obtain insurance equal to UP's uninsured liability and to pay for a proportionate share of system insurance costs. Since the cost of such an insurance policy depends on many factors which would not be known until a subsidy agreement has been reached, UP cannot provide an estimated cost at this time, and thus no amount is specified for this line item.

Line 11 on page 2 is the total subsidy costs for items listed on lines 8, 9 and 10. This total is included in the calculation of Estimated Subsidy Payment (line 19, page 2) discussed below.

f. Return on Value - Road Properties - Exhibit 1

Line 12 on page 2 represents the valuation of road properties to which the return element is applied. It is computed as prescribed in 49 C.F.R. § 1152.34(c). The allowable working capital of \$10,052 in Forecast Year is computed by taking 15/365 of the on-branch costs less depreciation and return. Income Tax Consequences are from Exhibit 2 line 5. The Line's Net Liquidation Value of \$2,828,978 is the sum of Exhibit 2 line 1 (market value of non-reversionary land), line 2 (value of salvageable track material) and line 3 (removal cost of track material).

¹ This amount does not include the cost of a complete replacement of the Minnesota River Bridge, which is located on the Line at Milepost 36 17. Although required maintenance work on this bridge could be performed for approximately \$3.5 million and would allow for continued train operations, given the overall age and condition of the bridge, total replacement, at a cost of approximately \$8 million may be the more appropriate option in order to ensure continued operations over the Line.

Line 13 on page 2 is the nominal rate of return which is applied to the valuation of road property (Work Paper 0055) The current rate is 18.4 percent

Line 14 on page 2 is the return on value for road properties of \$329,785 and is computed by multiplying line 12 by line 13

Line 15 on page 2 is the holding gain for road properties It is the Forecast Year's Net Liquidation Value ("NLV") times a deflator The deflator is the difference between 2006 Real Cost of Capital and Nominal Cost of Capital using the most current Gross Domestic Product implicit price deflator (2.9 percent), based on an index of 116.034 for 2006 and 112.737 for 2005, as drawn from Table 1.1.9 of the February 2007 Survey of Current Business (Work Paper 0055)

Line 16 on page 2 is the Total Return on Value and is line 14 minus line 15

Line 17 on page 2 is the Avoidable Gain from Operations for the Base Year ending February 28, 2007 and the Forecast Year

Line 18 on page 2 is the projected Total Avoidable Loss for the Forecast Year and is the difference of the Avoidable Gain from Operations as shown on line 17 and the Total Return on Value as shown on line 16 This line reflects the full economic cost to UP of operating the Line, i.e., a \$66,068 loss in the Forecast Year

g. Estimated Subsidy Payment - Exhibit 1

Line 19 on page 2 represents the Estimated Subsidy Payment needed for the subsidy year and is the total of the Avoidable Loss from Operations as shown on line 17, the Total Return on Value as shown on line 16, and the Total Subsidization Cost as shown on line 11

III. Opportunity Cost (Exhibit 2)

Exhibit 2 details the computation of the annual opportunity costs of operating the Line for the Forecast Year Below is an explanation of each line item of Exhibit 2

Line 1 is the current market value of the non-reversionary land which is \$1,750,063, as stated in the accompanying Verified Statement of Robert J. Gloodt (Appendix G)

Line 2 is the value of both salvageable scrap and secondhand materials to be retained by or sold on the open market and is \$688,692, as computed in the accompanying Verified Statement of Abdollah (Abe) Ghazai

Line 3 represents the cost of removal of all track material including rehabilitating road crossings, and is \$390,223

Line 4 is the working capital required to operate the Line

Line 5 is the income tax consequences The income tax consequence for the UP is \$1,046,722 based on 37 percent tax rate

Line 6 is the total of lines 1 through 5

Line 7 is the current nominal rate of return 18.4 percent

Line 8 is the current annual opportunity cost, line 6 times line 7, which for the Forecast Year, is \$186,183 for the entire Line

IV. Summary and Conclusion

As shown in Exhibit 1, the continued operation of the Line between Mileposts 33.0 and 38.6 will result in a small total operating gain of \$136,413 in the Forecast Year. This gain is based upon the Line's past traffic volumes. The investment to rehabilitate and restore service over the Line, which will total \$5.9 million or more, is not justified by the small operating gain UP will experience from continued operation of the Line, particularly as there is no guarantee that the Line's sole shipper will continue to ship via rail indefinitely. Additionally, as documented in Exhibit 2, UP will incur an annual opportunity cost of \$186,183 by continuing to operate the Line. As a result, the continued operation of the Line will result in a substantial financial burden on UP.

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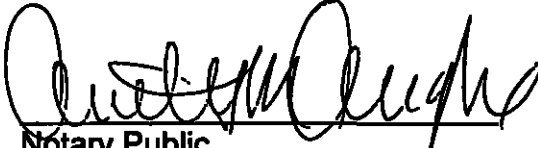
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COUNTY OF DOUGLAS

Michael N. Drelicharz, being first duly sworn, deposes and states that he has read the above document, knows the facts asserted therein, and that the same are true as stated


Michael N Drelicharz

SUBSCRIBED and SWORN to before me this 30 day of November 2007.


Notary Public



Exhibits

UNION PACIFIC RAILROAD COMPANY -
COMPUTATION OF REVENUE ATTRIBUTABLE TO THE LINE, AVOIDABLE COSTS,
AND REASONABLE RETURN ON THE VALUE OF THE LINE TO BE ABANDONED FOR
Branch Name: Chaska Industrial Lead

EXHIBIT-1
PAGE 1
AB-33 (Sub No 255)

Base Year March 2006 - February 2007
Forecast Year: December 2007 - November 2008

	Base Year	Forecast Year
Revenue for:		
1 Freight Originated and/or Terminated On-Branch	\$774,152	\$901,214
2. Bridge Traffic	0	0
3. All Other Revenue and Income	0	0
4. Total Revenue Attributable (L.1+L.2+L.3)	\$774,152	\$901,214
Avoidable Costs for		
5 On-Branch Costs (Lines 5a-5k)		
a Maintenance of Way & Structures Costs	\$44,413	\$44,734
b. Maintenance of Equipment	3,269	3,339
c. Transportation	145,377	148,875
d. General Administrative	0	0
e Deadheading, Taxi and Hotel	0	0
f. Overhead Movement/Other	0	0
g Freight Car Cost - Non ROI	47,801	49,480
h. ROI Expense Freight Cars	69,832	69,832
i. ROI Expense Locomotives	4,419	3,338
j. Revenue Taxes	0	0
k Property Taxes	0	0
	\$315,110	\$319,598
6 a. Off-Branch Costs Excluding Freight Car ROI	\$209,140	\$217,970
b. Off-Branch Freight Car ROI Costs	180,745	180,745
c. Off-Branch URCS Multiple Car Adjustment	0	0
d Make Whole Adjustment Off Branch	45,334	46,488
Total Off-Branch Costs (L.6a+6b+6c+6d)	\$435,219	\$445,202
7. Total On & Off-Branch Avoidable Costs (L.5+L.6)	\$750,329	\$764,800
Avoidable Gain or (Loss) from Operations (L.4-L.7)	\$23,823	\$136,413

UNION PACIFIC RAILROAD COMPANY -
COMPUTATION OF REVENUE ATTRIBUTABLE TO THE LINE, AVOIDABLE COSTS,
AND REASONABLE RETURN ON THE VALUE OF THE LINE TO BE ABANDONED FOR
Branch Name: Chaska Industrial Lead

EXHIBIT-1
PAGE 2
AB-33 (Sub. No 255)

Base Year: March 2006 - February 2007
Forecast Year: December 2007 - November 2008

Subsidization Costs For:	Base Year	Forecast Year
8. Rehabilitation	\$0	\$5,939,000
9. Administrative Costs (Subsidy Year only)	7,742	9,012
10. Casualty Reserve Account	0	0
11. Total Subsidization Cost (L.8+L.9+L.10)	\$7,742	\$5,948,012
Return on Value.		
12. Valuation of Road Property		
a. Working Capital	\$9,823	\$10,052
b. Income Tax Consequences	(1,046,722)	(1,046,722)
c. Net Liquidation Value (Track, Bridges & Land)	<u>2,828,978</u>	<u>2,828,978</u>
Total Valuation of Property (L.12 a+b+c)	\$1,792,079	\$1,792,308
13a. Nominal Rate of Return	0.184	0.184
13b. Real Rate of Return	0.139	0.139
14. Nominal Return on Value (L.12 * L.13)	\$329,743	\$329,785
15. Holding Gain or (Loss) (L.12.c Col b * (L.13 a Col b - L.13 b Col b))	\$0	\$127,304
16. Total Return on Value (L.14 - L.15)	\$329,743	\$202,481
17. Avoidable Gain or (Loss) from Operations (L.4 - L.7)	\$23,823	\$136,413
18. Estimated Forecast Year Loss (L.4 - L.7 - L.16)	<u>(8305,920)</u>	<u>(666,068)</u>
19. Estimated Subsidy Payment (L.4 - L.7 - L.11 - L.16)	(\$313,662)	(\$6,014,080)

UNION PACIFIC RAILROAD COMPANY -
 OPPORTUNITY COST OF OPERATING THE LINE FOR:
 Branch Name: Chaska Industrial Lead

EXHIBIT-2
 PAGE 1
 AB-33 (Sub. No 255)

Base Year: March 2006 - February 2007
 Forecast Year: December 2007 - November 2008

	<u>Base Year</u>	<u>Forecast Year</u>
1 Market Value of Non-Reversionary Land	\$1,750,063	\$1,750,063
2. Value of Salvageable Scrap & Secondhand Materials	688,692	688,692
3. Cost of Removal	(390,223)	(390,223)
4 Working Capital	9,823	10,052
5 Income Tax Benefits	<u>(1,046,722)</u>	<u>(1,046,722)</u>
6. Valuation of Road Property (L 1 through L 5)	\$1,011,633	\$1,011,862
7 Current Nominal Cost of Capital	<u>0.184</u>	<u>0.184</u>
8 Opportunity Cost (L 6 * L.7)	<u>\$186,140</u>	<u>\$186,183</u>

APPENDIX E
WORK PAPERS



**CHASKA INDUSTRIAL LEAD
ABANDONMENT AB-33 (SUB-NO. 255)**

2006 Union Pacific Annual Report R-1 (Selected Pages)	0001-0017
2005 Union Pacific URCS (Selected Pages)	0018-0028
Indices	0029-0036
Base and Forecast Years Traffic Data	0037-0046
On-Branch Local Train Operations and Statistics	0047-0050
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2006 Union Pacific R-1 Data

410 RAILWAY OPERATING EXPENSES
(Dollars in Thousands)

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with the Board's rules governing the separation of such expenses between freight and passenger services

Line No	Cross Check	Name of railway operating expense account (a)	Salaries and Wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased Services (d)	General (e)	Total Freight Expense (f)	Passenger (g)	Total (h)	Line No.
		WAY AND STRUCTURES								
		ADMINISTRATION								
1		Track	21,202	6,245	3,005	4,752	35,204	1,024	36,228	1
2		Bridge & Building	3,426	1,309	975	802	6,312	726	7,038	2
3		Signal	9,832	3,284	1,059	1,390	15,365	791	16,156	3
4		Communication	2,820	41	855	268	3,984	68	4,052	4
5		Other	8,425	422	103	1,450	10,400	830	11,230	5
		REPAIR AND MAINTENANCE								
6		Roadway - Running	14,040	1,218	27,261	83	42,612	1,550	44,162	6
7		Roadway - Switching	4,537	322	8,128	23	13,010	0	13,010	7
8		Tunnels and Subways - Running	73	0	2,936	0	3,009	29	3,038	8
9		Tunnels and Subways - Switching	22	0	882	0	904	0	904	9
10		Bridges - Culverts - Running	17,760	4,460	77	3,706	26,003	1,080	27,083	10
11		Bridges - Culverts - Switching	5,569	1,725	23	1,192	8,509	0	8,509	11
12		Ties - Running	4,938	3,718	143	1,165	9,964	1,199	11,163	12
13		Ties - Switching	1,543	2,277	57	443	4,320	0	4,320	13
14		Rail & Other Track Material - Running	88,170	23,396	4,106	6,926	122,598	3,899	126,497	14
15		Rail & Other Track Material - Switching	26,737	9,282	1,930	2,231	40,180	10	40,190	15
16		Ballast - Running	59	61	61	0	181	53	234	16
17		Ballast - Switching	18	31	18	0	67	0	67	17
18		Road Property Damaged - Running	544	0	354	0	898	8	907	18
19		Road Property Damaged - Switching	154	0	103	0	257	4	261	19
20		Road Property Damaged - Other	46	0	31	0	77	0	77	20
21		Signal & Interlockers-Running	44,421	11,104	7,048	1,782	64,365	4,327	68,692	21
22		Signal & Interlockers-Switching	13,749	3,775	470	517	18,511	0	18,511	22
23		Communications Systems	23,172	10,838	2,533	1,131	37,674	91	37,765	23
24		Power Systems	1,903	0	0	0	1,903	367	2,270	24
25		Highway Grade Crossing - Running	10,616	168	2,836	0	13,620	775	14,395	25
26		Highway Grade Crossing - Switching	0	0	0	0	0	0	0	26
27		Station & Office Buildings	3,357	6,646	14,403	270	24,676	2,811	27,487	27
28		Shop Buildings - Locomotives	12,434	0	1,407	0	13,841	149	13,990	28
29		Shop Buildings - Freight Cars	155	0	671	0	826	0	826	29
30		Shop Buildings - Other Equipment	0	65	37	0	102	0	102	30

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410 RAILWAY OPERATING EXPENSES - Continued (Dollars in Thousands)										
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		REPAIR AND MAINTENANCE - (Continued)								
101		Locomotive Servicing Facilities	646	500	2,752	36	3,934	101	4,035	101
102		Miscellaneous Buildings & Structures	2,059	573	262	22	2,916	984	3,900	102
103		Coal Terminals	0	0	0	0	0	0	0	103
104		Ore Terminals	0	0	0	0	0	0	0	104
105		Other Marine Terminals	0	0	0	0	0	0	0	105
106		TOFC/COFC-Terminals	0	0	25,228	0	25,228	0	25,228	106
107		Motor Vehicle Loading & Distribution Facilities	0	0	0	0	0	0	0	107
108		Facilities for Other Specialized Service Operations	0	0	0	0	0	0	0	108
109		Roadway Machines	13,435	4,815	2,782	2,237	23,269	1,143	24,412	109
110		Small Tools and Supplies	0	0	0	0	0	0	0	110
111		Snow Removal	680	3,395	1,703	0	5,758	833	6,591	111
112		Fringe Benefits - Running	N/A	N/A	N/A	74,019	74,019	4,104	78,123	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	18,480	16,480	270	16,750	113
114		Fringe Benefits - Other	N/A	N/A	N/A	47,936	47,936	520	48,456	114
115		Casualties & Insurance - Running	N/A	N/A	N/A	23,317	23,317	20	23,337	115
116		Casualties & Insurance - Switching	N/A	N/A	N/A	6,035	6,035	0	6,035	116
117		Casualties & Insurance - Other	N/A	N/A	N/A	8,727	8,727	0	8,727	117
118		Lease Rentals - Debit - Running	N/A	N/A	3,325	N/A	3,325	0	3,325	118
119		Lease Rentals - Debit - Switching	N/A	N/A	0	N/A	0	0	0	119
120		Lease Rentals - Debit - Other	N/A	N/A	44,654	N/A	44,654	369	45,023	120
121		Lease Rentals - (Credit) - Running	N/A	N/A	0	N/A	0	0	0	121
122		Lease Rentals - (Credit) - Switching	N/A	N/A	0	N/A	0	0	0	122
123		Lease Rentals - (Credit) - Other	N/A	N/A	0	N/A	0	0	0	123
124		Joint Facility Rent - Debit - Running	N/A	N/A	24,353	N/A	24,353	0	24,353	124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	516	N/A	516	0	516	125
126		Joint Facility Rent - Debit - Other	N/A	N/A	83	N/A	83	0	83	126
127		Joint Facility Rent - (Credit) - Running	N/A	N/A	(9,418)	N/A	(9,418)	0	(9,418)	127
128		Joint Facility Rent - (Credit) - Switching	N/A	N/A	(109)	N/A	(109)	0	(109)	128
129		Joint Facility Rent - (Credit) - Other	N/A	N/A	(52)	N/A	(52)	0	(52)	129
130		Other Rents - Debit - Running	N/A	N/A	0	N/A	0	0	0	130
131		Other Rents - Debit - Switching	N/A	N/A	0	N/A	0	0	0	131
132		Other Rents - Debit - Other	N/A	N/A	3	N/A	3	0	3	132
133		Other Rents - (Credit) - Running	N/A	N/A	0	N/A	0	0	0	133

410 RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

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134		REPAIR AND MAINTENANCE - (Continued)								
135		Other Rents - (Credit) - Switching	N/A	N/A	0	N/A	0	0	0	134
136		Other Rents - (Credit) - Other	N/A	N/A	0	N/A	0	0	0	135
137		Depreciation - Running	N/A	N/A	N/A	753,522	753,522	1,877	755,399	136
138		Depreciation - Switching	N/A	N/A	N/A	223,504	223,504	0	223,504	137
139		Depreciation - Other	N/A	N/A	N/A	54,766	54,766	0	54,766	138
140		Joint Facility - Debit - Running	N/A	N/A	73,622	N/A	73,622	117	73,739	139
141		Joint Facility - Debit - Switching	N/A	N/A	10,616	N/A	10,616	0	10,616	140
142		Joint Facility - Debit - Other	N/A	N/A	308	N/A	308	0	308	141
143		Joint Facility - (Credit) - Running	N/A	N/A	(30,393)	N/A	(30,393)	0	(30,393)	142
144		Joint Facility - (Credit) - Switching	N/A	N/A	(3)	N/A	(3)	0	(3)	143
145		Joint Facility - (Credit) - Other	N/A	N/A	0	N/A	0	0	0	144
146		Dismantling Retired Road Property - Running	0	0	0	0	0	0	0	145
147		Dismantling Retired Road Property - Switching	0	0	0	0	0	0	0	146
148		Dismantling Retired Road Property - Other	0	0	0	0	0	0	0	147
149		Other - Running	0	0	24	0	24	0	24	148
150		Other - Switching	0	0	0	0	0	0	0	149
151		Other - Other	357	374	3	934	1,668	0	1,668	150
		TOTAL WAY & STRUCTURE	336,679	100,044	231,772	1,239,486	1,907,981	20,920	1,937,901	151
		EQUIPMENT - LOCOMOTIVES								
201		Administration	9,385	611	6,947	2,159	19,102	347	19,449	201
202		Repair & Maintenance	165,487	276,155	168,682	3,766	614,090	4,058	618,148	202
203		Machinery Repair	0	2,283	2,193	0	4,476	0	4,476	203
204		Equipment Damaged	176	159	311	2	648	0	648	204
205		Fringe Benefits	N/A	N/A	N/A	73,131	73,131	1,638	74,767	205
206		Other Casualties and Insurance	N/A	N/A	N/A	19,994	19,994	4	19,998	206
207		Lease Rentals - Debit	N/A	N/A	365,984	N/A	365,984	0	365,984	207
208		Lease Rentals - (Credit)	N/A	N/A	0	N/A	0	0	0	208
209		Joint Facility Rent - Debit	N/A	N/A	34	N/A	34	0	34	209
210		Joint Facility Rent - (Credit)	N/A	N/A	0	N/A	0	0	0	210
211		Other Rents - Debit	N/A	N/A	1,321	N/A	1,321	0	1,321	211
212		Other Rents - (Credit)	N/A	N/A	(1,013)	N/A	(1,013)	0	(1,013)	212
213		Depreciation	N/A	N/A	N/A	230,034	230,034	31	230,065	213
214		Joint Facility - Debit	N/A	N/A	15	N/A	15	0	15	214
215		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	215
216		Repairs Billed to Others - (Credit)	N/A	N/A	0	N/A	0	0	0	216

410 RAILWAY OPERATING EXPENSES - Continued

(Dollars in Thousands)

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217		LOCOMOTIVES - (Continued)	0	0	0	0	0	0	0	217
218		Dismantling Retired Property	1,270	1	1,023	194	2,488	1	2,489	218
219		Other	176,318	279,209	545,497	329,280	1,330,304	6,077	1,336,381	219
220		TOTAL LOCOMOTIVES								
221		FREIGHT CARS								
222		Administration	5,891	175	2,585	651	9,082	N/A	9,082	220
223		Repair & Maintenance	144,530	250,116	116,344	4,875	515,865	N/A	515,865	221
224		Machinery Repair	0	2,728	2,662	0	5,390	N/A	5,390	222
225		Equipment Damaged	0	0	0	0	0	N/A	0	223
226		Fringe Benefits	N/A	N/A	N/A	62,274	62,274	N/A	62,274	224
227		Other Casualties & Insurance	N/A	N/A	N/A	41,950	41,950	N/A	41,950	225
228		Lease Rentals - Debit	N/A	N/A	241,740	N/A	241,740	N/A	241,740	226
229		Lease Rentals - (Credit)	N/A	N/A	(2,558)	N/A	(2,558)	N/A	(2,558)	227
230		Joint Facility Rent - Debit	N/A	N/A	0	N/A	0	N/A	0	228
231		Joint Facility Rent - (Credit)	N/A	N/A	0	N/A	0	N/A	0	229
232		Other Rents - Debit	N/A	N/A	840,020	N/A	840,020	N/A	840,020	230
233		Other Rents - (Credit)	N/A	N/A	(189,441)	N/A	(189,441)	N/A	(189,441)	231
234		Depreciation	N/A	N/A	N/A	84,348	84,348	N/A	84,348	232
235		Joint Facility - Debit	N/A	N/A	0	N/A	0	N/A	0	233
236		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	N/A	0	234
237		Repairs Billed Other - (Credit)	N/A	N/A	(237,093)	N/A	(237,093)	N/A	(237,093)	235
238		Dismantling Retired Property	0	0	0	0	0	N/A	0	236
239		Others	0	0	9	0	9	N/A	9	237
240		TOTAL FREIGHT CARS	150,221	253,019	774,248	194,098	1,371,586	N/A	1,371,586	238
241		OTHER EQUIPMENT								
242		Administration	0	0	0	0	0	165	165	301
243		Repair and Maintenance								
244		Truck, Trailers & Containers - Revenue Service	285	6,855	26,821	75	34,036	N/A	34,036	302
245		Floating Equipment - Revenue Services	0	0	0	0	0	N/A	0	303
246		Passenger & Other Revenue Equipment	1,277	0	0	0	1,277	13,007	14,284	304
247		Computers & Data Process Systems	0	6,434	27,866	0	34,300	57	34,357	305
248		Machinery	0	493	150	0	643	14	657	306
249		Work & Other Nonrevenue Equipment	0	2,663	30,319	0	33,012	729	33,741	307
250		Equipment Damaged	0	0	55	0	55	0	55	308
251		Fringe Benefits	N/A	N/A	N/A	725	725	4,380	5,105	309
252		Other Casualties & Insurance	N/A	N/A	N/A	316	316	5	321	310
253		Lease Rentals - Debit	N/A	N/A	108,353	N/A	108,353	1,191	109,544	311
254		Lease Rentals - (Credit)	N/A	N/A	(2,437)	N/A	(2,437)	0	(2,437)	312

410 RAILWAY OPERATING EXPENSES - Continued
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313		OTHER EQUIPMENT - (Continued)								
314		Joint Facility Rent - Debit	N/A	N/A	0	N/A	0	0	0	313
315		Joint Facility Rent - (Credit)	N/A	N/A	0	N/A	0	0	0	314
316		Other Rents - Debit	N/A	N/A	34,680	N/A	34,680	0	34,680	315
317		Other Rents - (Credit)	N/A	N/A	0	N/A	0	0	0	316
318		Depreciation	N/A	N/A	0	50,885	50,885	134	51,019	317
319		Joint Facility - Debit	N/A	N/A	4,385	N/A	4,385	0	4,385	318
320		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	319
321		Repairs Billed Other - (Credit)	N/A	N/A	(12,572)	N/A	(12,572)	0	(12,572)	320
322		Dismantling Retired Equipment	0	0	0	0	0	0	0	321
323		Other	162	8	6,666	6,050	12,886	7	12,893	322
324		TOTAL OTHER EQUIPMENT	1,724	16,483	224,296	58,051	300,554	19,689	320,243	323
325		TOTAL EQUIPMENT	328,263	548,711	1,544,041	581,428	3,002,443	25,766	3,028,209	324
401		TRANSPORTATION								
402		Administration	44,370	4,710	12,028	3,670	64,776	3,290	68,066	401
403		Engine Crews	711,866	1,219	6,656	122,837	842,578	6,073	848,651	402
404		Tram Crews	611,067	236	65	129	611,497	14,188	625,685	403
405		Dispatching Trains	57,680	222	3,040	796	61,748	493	62,241	404
406		Operating Signal & Interlockers	1	0	3,545	0	3,546	24	3,570	405
407		Operating Drawbridges	0	0	0	0	0	0	0	406
408		Highway Crossing Protection	0	0	1,841	0	1,841	0	1,841	407
409		Tram Inspection & Lubricants	65,796	47,572	708	3,884	117,960	56	118,016	408
410		Locomotive Fuel	0	2,507,294	0	0	2,507,294	19,795	2,527,089	409
411		Electric Power Purchased or Produced for Motive Power	0	0	0	0	0	0	0	410
412		Servicing Locomotives	72,453	7,055	4,841	27	84,376	2,188	86,564	411
413		Freight Lost or Damaged	N/A	N/A	N/A	0	0	0	0	412
414		Cleaning Wrecks	1,867	123	25,155	0	27,145	0	27,145	413
415		Fringe Benefits	N/A	N/A	N/A	588,854	588,854	7,958	596,812	414
416		Other Casualties & Insurance	N/A	N/A	N/A	133,710	133,710	2,685	136,395	415
417		Joint Facility - Debit	N/A	N/A	90,724	N/A	90,724	0	90,724	416
418		Joint Facility - (Credit)	N/A	N/A	(96,957)	N/A	(96,957)	0	(96,957)	417
419		Other	40,547	366	5,511	6,417	52,841	192	53,033	418
420		TOTAL TRAIN OPERATIONS	1,605,657	2,588,797	57,155	836,124	5,069,733	56,942	5,126,675	419
421		YARD OPERATIONS								
422		Administration	13,957	2,135	14,822	1,118	32,032	0	32,032	420
423		Switch Crews	274,270	2,809	4,901	51,082	333,062	1,478	334,540	421

410 RAILWAY OPERATING EXPENSES - Continued
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422		YARD OPERATIONS - (Continued)								
423		Controlling Operations	36,044	0	0	0	36,044	1,134	37,178	422
424		Yard & Terminal Clerical	16,856	588	29	189	17,662	611	18,273	423
425		Operating Switches, Signals, Retainers & Humps	100	1	2,762	0	2,863	121	2,984	424
426		Locomotive Fuel	0	306,531	0	0	306,531	0	306,531	425
427		Electric Power Purchased or Produced for Motive Power	0	0	0	0	0	0	0	426
428		Servicing Locomotives	0	0	0	0	0	0	0	427
429		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	0	0	0	0	428
430		Clearing Wrecks	0	0	0	0	0	35	35	429
431		Fringe Benefits	N/A	N/A	N/A	120,401	120,401	1,154	121,555	430
432		Other Casualties & Insurance	N/A	N/A	N/A	30,404	30,404	0	30,404	431
433		Joint Facility - Debit	N/A	N/A	30,520	N/A	30,520	0	30,520	432
434		Joint Facility - (Credit)	N/A	N/A	(1,497)	N/A	(1,497)	0	(1,497)	433
435		Other	0	0	0	0	0	0	0	434
501		TOTAL YARD OPERATION	341,227	312,064	51,537	203,194	908,022	4,533	912,555	435
502		TRAIN & YARD OPERATIONS COMMON								
503		Cleaning Car Interiors	0	0	4,073	N/A	4,073	4,403	8,476	501
504		Adjusting & Transferring Loads	52	0	6,479	N/A	6,531	N/A	6,531	502
505		Car Loading Devices & Grain Doors	16	28	28,930	N/A	28,974	N/A	28,974	503
506		Freight Loss or Damaged - All Other	N/A	N/A	N/A	35,140	35,140	0	35,140	504
507		Fringe Benefits	N/A	N/A	N/A	32	32	0	32	505
508		TOTAL TRAIN & YARD OPERATIONS COMMON	68	28	39,482	35,172	74,750	4,403	79,153	506
509		SPECIALIZED SERVICE OPERATIONS								
510		Administration	7,041	411	1,467	248	9,167	N/A	9,167	507
511		Picking & Delivery & Marine Line Haul	0	0	36,918	0	36,918	N/A	36,918	508
512		Loading & Unloading Local Marine	17,714	881	150,610	1,134	170,339	N/A	170,339	509
513		Protective Services	0	0	11	0	11	N/A	11	510
514		Freight Loss or Damaged - Solely Related	N/A	N/A	N/A	0	0	N/A	0	511
515		Fringe Benefits	N/A	N/A	N/A	9,418	9,418	N/A	9,418	512
516		Casualties & Insurance	N/A	N/A	N/A	1,806	1,806	N/A	1,806	513
517		Joint Facility - Debit	N/A	N/A	0	N/A	0	N/A	0	514
518		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	N/A	0	515
519		Others	2,119	213	238	105	2,675	N/A	2,675	516
520		TOTAL SPECIALIZED SERVICES OPERATIONS	26,874	1,505	188,244	12,711	230,334	N/A	230,334	517

410 RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with the Board's rules governing the separation of such expenses between freight and passenger services

Line No	Cross Check	Name of railway operating expense account (a)	Salaries and Wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased Services (d)	General (e)	Total Freight Expense (f)	Passenger (g)	Total (h)	Line No
ADMINISTRATIVE SUPPORT OPERATIONS										
518		Administration	93,873	3,532	12,873	9,170	119,448	954	120,402	518
519		Employees Performing Clerical & Acctg Functions	44,214	5,082	2,030	741	52,067	5,833	57,900	519
520		Communication Systems Operations	4,575	747	2,098	282	7,700	479	8,179	520
521		Loss & Damage Claims Process	13,854	329	4,835	1,736	20,754	0	20,754	521
522		Fringe Benefits	N/A	N/A	N/A	56,147	56,147	1,729	57,876	522
523		Casualties & Insurance	N/A	N/A	N/A	13,361	13,361	0	13,361	523
524		Joint Facility - Debit	N/A	N/A	207	N/A	207	0	207	524
525		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	525
526		Other	2,380	2	331	87	2,800	0	2,800	526
527		TOTAL ADMINISTRATION SUPPORT OPERATIONS	158,896	9,682	22,372	81,524	272,484	8,995	281,479	527
528		TOTAL TRANSPORTATION	2,132,722	2,892,088	359,790	1,170,725	6,555,323	74,873	6,630,196	528
GENERAL & ADMINISTRATIVE										
601		Officers General & Administration	34,995	3,311	15,107	19,393	72,806	756	73,562	601
602		Accounting, Auditing & Finance	30,778	144	1,422	1,059	33,403	1,008	34,411	602
603		Management Services & Data Processing	38,411	518	24,901	4,125	68,015	2,331	70,346	603
604		Marketing	45,112	790	43,455	8,915	98,272	0	98,272	604
605		Sales	0	0	0	0	0	0	0	605
606		Industrial Development	1,162	24	42	203	1,431	N/A	1,431	606
607		Personnel & Labor Relations	31,952	387	8,768	19,911	61,038	1,197	62,235	607
608		Legal & Secretarial	14,170	189	73,863	2,213	90,435	1,543	91,978	608
609		Public Relations & Advertising	3,691	35	8,955	2,609	15,290	273	15,563	609
610		Research & Development	0	90	3	0	93	0	93	610
611		Fringe Benefits	N/A	N/A	N/A	112,569	112,569	1,450	114,019	611
612		Casualties & Insurance	N/A	N/A	N/A	51,738	51,738	8	51,746	612
613		Write-down of Uncollectible Accounts	N/A	N/A	N/A	(6,658)	(6,658)	42	(6,616)	613
614		Property Taxes	N/A	N/A	N/A	169,080	169,080	1,473	170,553	614
615		Other Taxes	N/A	N/A	N/A	78,492	78,492	132	78,624	615
616		Joint Facility - Debit	N/A	N/A	1,835	N/A	1,835	0	1,835	616
617		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	617
618		Other	126,842	8,737	188,189	76,571	400,339	445	400,784	618
619		TOTAL GENERAL & ADMINISTRATIVE	327,113	14,225	366,620	540,220	1,248,178	10,658	1,258,836	619
620		TOTAL OPERATING EXPENSE	3,124,777	3,555,066	2,502,223	3,531,859	12,713,925	141,217	12,855,142	620

414 RENTS FOR INTERCHANGED FREIGHT TRAIN CARS AND OTHER FREIGHT-CARRYING EQUIPMENT
(Dollars in Thousands)

- 1 Report freight expenses only
- 2 Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad-owned or leased equipment and privately-owned equipment. Reporting for leased equipment covers equipment with the carrier's own railroad markings
- 3 The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (d), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (e). The balancing of Schedules 410, 414 and 415 "Other Equipment" is outlined in note 6 to Schedule 415
- 4 Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars
- 5 Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Board in Ex Parte No. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.
- NOTE: Mechanical designations for each car type are shown in Schedule 710

Line No	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
CAR TYPES									
1		Box - Plain 40 Foot		0	0	0	0	0	1
2		Box - Plain 50 Foot and Longer		9	32	21,756	2,287	5,993	2
3		Box - Equipped		5,354	24,248	19,915	36,887	87,573	3
4		Gondola - Plain		268	848	5,763	1,538	2,956	4
5		Gondola - Equipped		1,968	9,969	2	11,694	27,077	5
6		Hopper - Covered		7,115	33,808	70,361	12,977	32,038	6
7		Hopper - Open Top - General Service		2,523	10,211	18	387	881	7
8		Hopper - Open Top - Special Service		91	780	2	928	2,486	8
9		Refrigerator - Mechanical		4,826	16,064	203	52	327	9
10		Refrigerator - Non-Mechanical		1,487	4,813	36	1,375	2,355	10
11		Fiat - TOFC/COFC		1,306	5,976	136,903	18,857	58,408	11
12		Fiat - Multi-Level		1,558	5,307	89,952	8,040	18,767	12
13		Fiat - General Service		1	14	0	175	231	13
14		Fiat - Other		924	5,185	42,687	17,467	46,322	14
15		Tank - Under 22,000 Gallons		0	0	4,363	0	0	15
16		Tank - 22,000 Gallons and Over		0	0	7,756	0	0	16
17		All Other Freight Cars		0	0	91	112	275	17
18		Auto Racks		0	44,768	0	0	41,769	18
19		TOTAL FREIGHT TRAIN CARS	0	27,428	162,013	399,806	112,756	327,458	19
		OTHER FREIGHT-CARRYING EQUIPMENT							
20		Refrigerated Trailers							20
21		Other Trailers						5,949	21
22		Refrigerated Containers							22
23		Other Containers						28,741	23
24	-	TOTAL TRAILERS AND CONTAINERS	0	0	0	0	0	34,690	24
25		GRAND TOTAL (Lines 19 and 24)	0	27,428	162,013	399,806	112,756	362,148	25

415 SUPPORTING SCHEDULE – EQUIPMENT (Dollars in Thousands)							
Line No	Cross Check	Types of equipment (a)	Repairs (net expenses) (b)	Depreciation		Amortization adjustment net during year (e)	Line No
				Owned (c)	Capital lease (d)		
		LOCOMOTIVES					
1		Diesel Locomotive - Yard	38,160	12,909	0		1
2		Diesel Locomotive - Road	575,930	129,454	83,882		2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	TOTAL LOCOMOTIVES	614,090	142,363	83,882		5
		FREIGHT TRAIN CARS					
6		Box - Plain-40 foot	8	0	0		6
7		Box - Plain-50 foot and Longer	594	5,544	0		7
8		Box - Equipped	37,821	9,969	0		8
9		Gondola - Plain	18,809	6,353	0		9
10		Gondola - Equipped	28,665	2,946	0		10
11		Hopper - Covered	88,659	14,328	18		11
12		Hopper - Open Top Gen Svc	63,699	8,957	2,336		12
13		Hopper - Open Top Spec Svc	12,812	980	0		13
14		Refrigerator - Mechanical	19,040	1,952	0		14
15		Refrig - Non-mechanical	2,275	3,659	56		15
16		Flat - TOFC/COFC	161	22	866		16
17		Flat - Multi-level	0	1,779	0		17
18		Flat - General Service	161	127	0		18
19		Flat - Other	5,639	3,045	0		19
20		All Other Freight Cars	0	11	0		20
21		Cabooses	0	457	0		21
22		Auto Racks	0	18,734	0		22
23		Misc Accessories	429	621	0		23
24	*	TOTAL FREIGHT TRAIN CARS	278,772	79,684	3,275	0	24
		OTHER EQUIPMENT-REVENUE FREIGHT					
25		Refrigerated Trailers					25
26		Other Trailers	21,464	107	0		26
27		Refrigerated Containers					27
28		Other Containers					28
29		Bogies					29
30		Chassis					30
31		Other Highway Equip (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	21,464	107	0	0	32
		FLOATING EQUIP-REVENUE SERVICE					
33		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT	0	0	0	0	35
		OTHER EQUIPMENT					
36	*	Pass and Other Revenue Equip (Freight Portion)	1,277	0			36
37	*	Comp Sys & Word Proc Equip	34,300	47,747	690		37
38	*	Machinery - Locomotives (1)	4,476	3,789			38
39	*	Machinery - Freight Cars (2)	5,390	1,389			39
40	*	Machinery - Other Equipment (3)	643	88			40
41	*	Work and Non-revenue Equip	33,012	2,253	0		41
42		TOTAL OTHER EQUIPMENT	79,098	55,266	690	0	42
43		TOTAL ALL EQUIPMENT (Freight Portion)	993,424	277,420	67,847	0	43

- (1) Data reported on line 38, column (b) is the amount reported in Schedule 410, column (f), line 203
 (2) Data reported on line 39, column (b) is the amount reported in Schedule 410, column (f), line 222
 (3) Data reported on line 40, column (b) is the amount reported in Schedule 410, column (f), line 306

415 SUPPORTING SCHEDULE – EQUIPMENT - Concluded
(Dollars in Thousands)

Line No	Cross Check	Lease and rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1		0	170,352	13,281	44,410	0	1
2		366,292	2,871,647	1,897,261	1,210,963	760,594	2
3							3
4							4
5	*	366,292	3,041,999	1,910,522	1,255,373	760,594	5
6		0	0	0	0	0	6
7		0	89,221	0	42,544	0	7
8		24,003	212,630	0	95,102	0	8
9		18,424	176,909	0	102,828	0	9
10		12,197	76,642	0	18,163	0	10
11		108,851	425,151	0	175,741	0	11
12		16,172	273,720	51,974	182,788	27,048	12
13		11,940	29,810	0	10,263	0	13
14		23,980	42,129	0	19,443	0	14
15		5,141	68,133	0	13,393	0	15
16		1,890	388	16,023	159	11,248	16
17		5,022	35,857	0	20,142	0	17
18		14	3,939	0	1,803	0	18
19		10,454	93,369	0	38,194	0	19
20		52	279	0	205	0	20
21		1,000	6,973	0	3,091	0	21
22		62	480,093	0	279,289	0	22
23		0	18,814	0	941	0	23
24	*	239,182	2,034,057	67,997	1,004,089	38,296	24
25							25
26		46,400	539		197	0	26
27							27
28							28
29							29
30							30
31							31
32	*	46,400	539	0	197	0	32
33							33
34							34
35	*	0	0	0	0	0	35
36	*		0		0		36
37	*	7,066	366,688	3,107	132,500	690	37
38	*		114,633		31,253		38
39	*		48,655		16,160		39
40	*		3,869		746		40
41	*	52,450	137,184	0	28,199	0	41
42		59,516	671,029	3,107	208,858	690	42
43		711,390	5,747,624	1,981,626	2,488,517	799,580	43

- (1) Data reported on lines 38, 39 and 40 in columns (g) and (h) are investment recorded in property account 44, allocated to locomotives, freight cars, and other equipment
- (2) Depreciation reported on lines 38, 39 and 40 in column (c) is calculated by multiplying the investment in each element by the effective composite rate for the property account 44. And then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (c), Schedule 335

710 INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data

- 1 Give particulars of each of the various classes of equipment which respondent owned or leased during the year
- 2 In column (d) give the number of units purchased or built in company shops. In column (e) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
- 3 Units leased to others for a period of one year or more are reportable in column (n). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (i). Units rented from others for a period less than one year should not be included in column (j).

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Time-mileage cars (b)	All others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units including reclassification and second hand units purchased or leased from others (g)	
36		FREIGHT TRAIN CARS							36
		Plain box cars - 40' (B1__ B2__)	0						
37		Plain box cars - 50' longer (B3_0-7, B4_0-7 B5__, B6__, B7__ B8__)	51						37
38		Equipped box cars (All Code A, Except A_5_)	16,454					289	38
39		Plain gondola cars (All Codes, G & J, 1 J_2 J_3 J_4)	4,537					1 880	39
40		Equipped gondola cars (All Code E)	10,500			280		99	40
41		Covered hopper cars (C_1 C_2 C_3, C_4)	38 553			1 100		92	41
42		Open top hopper cars--general service (All Code H)	16,291				170	72	42
43		Open top hopper cars--special service (J_0 J_5 J_6, J_7, J_8, J_9, and K)	3,659						43
44		Refrigerator cars -- mechanical (R_5_ R_6_ R_7_ R_8_ R_9_)	5,939			547			44
45		Refrigerator cars -- non-mechanical (R_0_ R_1_ R_2_)	4 328					689	45
46		Flat cars -- TOFC/COFC (All Code P_ Q and S, Except Q8_)	526						46
47		Flat cars -- multi-level (All Code V)	1,164			719		336	47
48		Flat cars -- general service (F10_ F20_ F30_)	55						48
49		Flat cars -- other (F_1_ F_2_ F_3_ F_4_ F_5_ F_6_) (F_8_ F40_)	4 687					50	49
50		Tank cars -- under 22,000 gallons (T_0 T_1, T_2, T_3, T_4, T_5)	0					11	50
51		Tank cars -- 22 000 gallons and over (T_6, T_7, T_8, T_9)	0					210	51
52		All other freight cars (A_5_ F_7_ , All Code L and Q8_)	1					16	52
53		TOTAL (lines 36 to 52)	106,743	0	0	2,648	170	3,724	53
54		Caboose (All Code M-930)	N/A	0					54
55		TOTAL (lines 53 and 54)	106,743	0	0	2 648	170	3,724	55

Road Initials UPRR Year 2006

710 INVENTORY OF EQUIPMENT - Continued

- 4 Column (m) should show aggregate capacity for all units reported in columns (k) and (l) as follows For freight-train cars, report the nominal capacity (in tons of 2 000 lbs) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to carry customarily
- 5 Time-mileage cars refers to freight cars, other than cabooses owned or held under lease arrangement, whose interline rental is settled on a per diem and line haul mileage basis under "Code of Car Hire Rules" or would be so settled if used by another railroad

UNITS OWNED INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No	Changes during the year (concluded) Units retired from service respondent whether owned or leased, including reclassification (h)	Units at Close of Year						Line No
		Owned and used (i)	Leased from others (j)	Total in service of respondent col (i) & (j)		Aggregate capacity of units reported in cols (k) & (l) (see ms 4) (m)	Leased to others (n)	
				Time-mileage cars (k)	All other (l)			
36	0	0	0	0		0		36
37	0	51	0	51		4 321		37
38	2,401	9 300	5,042	14 342		1,190,578		38
39	1 588	939	3,870	4,809		564,303		39
40	804	7 513	2,582	10 075		995,488		40
41	980	15 920	22 865	38,785		4,095,414		41
42	950	12,186	3 397	15,583		1,816 416		42
43	230	921	2 508	3,429		376,289		43
44	541	912	5,033	5,945		483,063		44
45	1,011	2,924	1,080	4,004		307,122		45
46	21	108	397	505		161 216		46
47	45	1,119	1,055	2 174		82,395		47
48	4	48	3	51		4,106		48
49	3	2 538	2,196	4 734		481,888		49
50	0	0	11	11		1,116		50
51	0	0	210	210		20,887		51
52	0	4	13	17		1 672		52
53	8 558	54 483	50 242	104,725	0	10 586 270	0	53
54	0	0	0	0		0		54
55	8 558	54 483	50 242	104,725	0	10 586,270	0	55

755 RAILROAD OPERATING STATISTICS

Line No	Cross Check	Item description (a)	Freight train (b)	(2) Passenger train (c)	Line No
1		1 Miles of Road Operated (A)	32,339		1
2		2. Train Miles - Running (B)			
2		2-01 Unit Trains	46,514,974	XXXXXX	2
3		2-02 Way Trains	7,730,504	XXXXXX	3
4		2-03 Through Trains	118,135,128	0	4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	172,380,606	0	5
6		2-05 Motorcars (C)	0	0	6
7		2-07 TOTAL ALL TRAINS (lines 5 and 6)	172,380,606	0	7
		3 Locomotive Unit Miles (D)			
		Road Service (E)			
8		3-01 Unit Trains	134,837,648	XXXXXX	8
9		3-02 Way Trains	17,535,120	XXXXXX	9
10		3-03 Through Trains	329,105,922	0	10
11		3-04 TOTAL (lines 8-10)	481,478,690	0	11
12		3-11 Train Switching (F)	26,944,794	XXXXXX	12
13		3-21 Yard Switching (G)	32,911,343	0	13
14		3-31 TOTAL ALL SERVICES (line 11-13)	541,334,827	0	14
		4 Freight Car-Miles (thousands) (H)			
		4-01 RR Owned and Leased Cars - Loaded			
15		4-010 Box-Plain 40-Foot	1	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	16,114	XXXXXX	16
17		4-012 Box-Equipped	368,887	XXXXXX	17
18		4-013 Gondola-Plain	187,175	XXXXXX	18
19		4-014 Gondola-Equipped	140,933	XXXXXX	19
20		4-015 Hopper-Covered	436,360	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	247,422	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	104,127	XXXXXX	22
23		4-018 Refrigerator-Mechanical	82,833	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	53,683	XXXXXX	24
25		4-020 Flat-TOFC/COFC	885,439	XXXXXX	25
26		4-021 Flat-Multi-Level	73,289	XXXXXX	26
27		4-022 Flat-General Service	816	XXXXXX	27
28		4-023 Flat-All Other	149,280	XXXXXX	28
29		4-024 All Other Car Types-Total	16,261	XXXXXX	29
30		4-025 TOTAL (Lines 15-29)	2,762,630	XXXXXX	30

755 RAILROAD OPERATING STATISTICS - Continued

Line No	Cross Check	Item description (a)	Freight train (b)	(2) Passenger train (c)	Line No
31		4-11 RR Owned and Leased Cars - Empty			
		4-110 Box-Plain 40-Foot	1	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	13,208	XXXXXX	32
33		4-112 Box-Equipped	306,178	XXXXXX	33
34		4-113 Gondola-Plain	186,550	XXXXXX	34
35		4-114 Gondola-Equipped	126,905	XXXXXX	35
36		4-115 Hopper-Covered	448,901	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	256,501	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	106,782	XXXXXX	38
39		4-118 Refrigerator-Mechanical	63,165	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	50,800	XXXXXX	40
41		4-120 Flat-TOFC/COFC	51,901	XXXXXX	41
42		4-121 Flat-Multi-Level	28,435	XXXXXX	42
43		4-122 Flat-General Service	814	XXXXXX	43
44		4-123 Flat-All Other	153,834	XXXXXX	44
45		4-124 All Other Car Types	1,962	XXXXXX	45
46		4-125 TOTAL (Lines 31-45)	1,795,935	XXXXXX	46
		4-13 Private Line Cars - Loaded (H)			
47		4-130 Box-Plain 40-Foot	0	XXXXXX	47
48		4-131 Box-Plain 50-Foot and Longer	79,207	XXXXXX	48
49		4-132 Box-Equipped	62,376	XXXXXX	49
50		4-133 Gondola-Plain	882,625	XXXXXX	50
51		4-134 Gondola-Equipped	27,260	XXXXXX	51
52		4-135 Hopper-Covered	716,358	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	21,513	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	415,530	XXXXXX	54
55		4-138 Refrigerator-Mechanical	9,222	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	4,441	XXXXXX	56
57		4-140 Flat-TOFC/COFC	333,736	XXXXXX	57
58		4-141 Flat-Multi-Level	618,332	XXXXXX	58
59		4-142 Flat-General Service	159	XXXXXX	59
60		4-143 Flat-All Other	115,332	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	154,540	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	347,301	XXXXXX	62
63		4-146 All Other Car Types	3,666	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	3,791,496	XXXXXX	64

755 RAILROAD OPERATING STATISTICS - Continued

Line No	Cross Check	Item description (a)	Freight train (b)	(2) Passenger train (c)	Line No
65		4-15 Private Line Cars - Empty (H)	XXXXXX	XXXXXX	65
66		4-150 Box-Plain 40-Foot	0	XXXXXX	66
67		4-151 Box-Plain 50-Foot and Longer	28,262	XXXXXX	67
68		4-152 Box-Equipped	46,286	XXXXXX	68
69		4-153 Gondola-Plain	1,232,874	XXXXXX	69
70		4-154 Gondola-Equipped	26,498	XXXXXX	70
71		4-155 Hopper-Covered	725,437	XXXXXX	71
72		4-156 Hopper-Open Top-General Service	38,257	XXXXXX	72
73		4-157 Hopper-Open Top-Special Service	477,948	XXXXXX	73
74		4-158 Refrigerator-Mechanical	9,794	XXXXXX	74
75		4-159 Refrigerator-Non-Mechanical	4,557	XXXXXX	75
76		4-160 Flat-TOFC/COFC	152,723	XXXXXX	76
77		4-161 Flat-Multi-Level	228,876	XXXXXX	77
78		4-162 Flat-General Service	156	XXXXXX	78
79		4-163 Flat-All Other	110,556	XXXXXX	79
80		4-164 Tank Under 22,000 Gallons	166,105	XXXXXX	80
81		4-165 Tank-22,000 Gallons and Over	363,178	XXXXXX	81
82		4-166 All Other Car Types	3,972	XXXXXX	82
83		4-167 TOTAL (lines 65-81)	3,615,479	XXXXXX	83
84		4-17 Work Equipment and Company Freight Car-Miles	27,262	XXXXXX	84
85		4-18 No Payment Car-Miles (I) (1)	2,605,976	XXXXXX	85
86		4-19 Total Car-Miles by Train Type (Note)			86
87		4-191 Unit Trains	5,383,943	XXXXXX	87
88		4-192 Way Trains	245,016	XXXXXX	88
89		4-193 Through Trains	8,969,821	XXXXXX	89
90		4-194 TOTAL (lines 85-87)	14,598,780	XXXXXX	90
91		4-20 Caboose Miles	35	XXXXXX	91

- (1) Total number of loaded miles 0 and empty miles 0 by roadrailer reported above
 (2) As in prior years, the passenger statistics exclude results from commuter operations

Note Line 88 total car miles is equal to the sum of lines 30, 46, 64, 82, 83 and 84. Accordingly, the car miles reported on lines 83 and 84 are to be allocated to lines 85, 86 and 87 and included in the total shown on line 88. Line 88 excludes business car miles

755. RAILROAD OPERATING STATISTICS - Concluded

Line No	Cross Check	Item description (a)	Freight train (b)	(2) Passenger train (c)	Line No
		6 Gross Ton-Miles (thousands) (K)			
98		6-01 Road Locomotives	96,685,704	XXXXXX	98
		6-02 Freight Trains, Cars, Cnts, and Caboose			
99		6-020 Unit Trains	439,783,401	XXXXXX	99
100		6-021 Way Trains	16,266,113	XXXXXX	100
101		6-022 Through Trains	616,480,090	XXXXXX	101
102		6-03 Passenger-Trains, Cars, and Cnts		0	102
103		6-04 Non-Revenue	6,089,485	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	1,175,304,793	0	104
		7 Tons of Freight (thousands)			
105		7-01 Revenue	612,276	XXXXXX	105
106		7-02 Non-Revenue	9,254	XXXXXX	106
107		7-03 TOTAL (lines 105 and 106)	621,530	XXXXXX	107
		8 Ton-Miles of Freight (thousands) (L)			
108		8-01 Revenue-Road Service	565,228,126	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service	0	XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	565,228,126	XXXXXX	110
111		8-04 Non-Revenue-Road Service	4,251,339	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service	0	XXXXXX	112
113		8-06 TOTAL (lines 111 and 112)	4,251,339	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110 and 113)	569,479,465	XXXXXX	114
		9 Train Hours (M)			
115		9-01 Road Service	6,724,701	XXXXXX	115
116		9-02 Train Switching	2,116,822	XXXXXX	116
117		10 TOTAL YARD-SWITCHING HOURS (N)	2,873,418	XXXXXX	117
		11 Train-Miles Work Trains (O)			
118		11-01 Locomotives	1,794,852	XXXXXX	118
119		11-02 Motorcars	0	XXXXXX	119
		12 Number of Loaded Freight Cars (P)			
120		12-01 Unit Trains	3,064,145	XXXXXX	120
121		12-02 Way Trains	3,431,615	XXXXXX	121
122		12-03 Through Trains	10,311,325	XXXXXX	122
123		13 TOFC/COFC-No of Rev Trailers and Containers Loaded and Unloaded (Q)	6,390,335	XXXXXX	123
124		14 Multi-Level Cars-No of Motor Vehicles Loaded and Unloaded (Q)	4,456,757	XXXXXX	124
125		15 TOFC/COFC-No of Rev Trailers Picked Up and Delivered (R)	156,693	XXXXXX	125
		16 Revenue Tons-Marine Terminal (S)			
126		16-01 Marine Terminals-Coal	0	XXXXXX	126
127		16-02 Marine Terminals-Ore	0	XXXXXX	127
128		16-03 Marine Terminals-Other	0	XXXXXX	128
129		16-04 TOTAL (lines 126-128)	0	XXXXXX	129
		17 Number of Foreign Per Diem Cars on Line (T)			
130		17-01 Serviceable	53,580	XXXXXX	130
131		17-02 Unserviceable	0	XXXXXX	131
132		17-03 Surplus	0	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	53,580	XXXXXX	133
134		TOFC/COFC - Average No of Units Loaded Per Car	4.80	XXXXXX	134

2005 Union Pacific URCS Values

WORKTABLE	D6 PART	CAR	OWNERSHIP AND MAINTENANCE	Annual	URCS Process for Union Pacific Railroad Company	22-Sep-06	PAGE-321
510	141	385.1341	.00004786	.06213	2714	.00004786	.43787
511	144	385.1341	0	0	2714	0	0
512	147	385.1341	0	0	2714	0	0
513	150	385.1341	.00001113	.06213	2714	.00001113	.43787
514	110	374.2598	0	0	2681	0	0
515	307	396.1358	.00072344	.06438	2680	.00072344	.43562
516	220	396.1358	.05884	.06438	2680	.05884	.43562
517	222	396.1358	.0681	.06438	2680	.0681	.43562
518	223	385.1341	0	0	2714	0	0
519	224	396.1358	.3756	.06438	2680	.3756	.43562
520	225	385.1341	.27699	.06213	2714	.27699	.43787
521	228	385.1341	0	0	2714	0	0
522	229	385.1341	0	0	2714	0	0
523	233	385.1341	0	0	2714	0	0
524	234	385.1341	0	0	2714	0	0
525	236	385.1341	0	0	2714	0	0
526	237	385.1341	.00002855	.06213	2714	.00002855	.43787
527	235	396.1358	.03679	.06438	2680	.03679	.43562
528		XX	4.08503	.06421	XX	4.08503	.43579
529	909120	385.1341	.00948194	.06213	2714	.00948194	.43787
530	909320	385.1341	0	0	2714	0	0
531	809138	385.1341	.00511218	.06213	2714	.00511218	.43787
532	809338	385.1341	0	0	2714	0	0
533	809110	385.1341	.76386	.07455	2714	.76386	.52545
534	809310	385.1341	3.16467	.12426	2714	3.16467	.87574
535	90410	385.1341	0	0	2714	0	0
536	9510	385.1341	5.73569	.12426	2714	5.73569	.87574
537		XX	9.67881	.08997	- XX	9.67881	.63411
538	909820	385.1341	.07083	.06213	2714	.07083	.43787
539	809810	385.1341	1.4178	.07455	2714	1.4178	.52545
540		XX	1.48863	.07385	XX	1.48863	.52019
541		XX	15.25247	.07957	XX	15.25247	.55516

LINE	CODE	IDENTIFICATION	SOURCE (1)	C1L(C1)C2='X' DO C2:=BLANK (2)	ELSE IF THEN C2:=BLANK (3)	REGR EXPENSE IF C1=BLANK THEN C2:=BLANK (4)	WT-CO REGRES- STON	DEFAULT IF C2 NOT =BLANK DO C3:=BLANK (5)
601	8090TT	FREIGHT CAR REPAIRS	U A3L313C12	0 A3L313C12	0 A3L313C12	65502		
602	002	ADMINIST B & B	2 A2L102CH4	0 A2L102CH4	0 B9L201C13	21.90318		
603	005	ADMINIST OTHER	2 A2L105CH4	0 A2L105CH4	0 B9L202C13	6.92968		
604	024	ROAD PROP DAMAGED OTHER	2 A2L120CH4	0 A2L120CH4	0 B9L203C13	34188		
605	033	SHOP BUILDINGS	16 A2L129CH4	0 A2L129CH4	0 B9L204C13	321.1282		
606	114	FRINGES OTHER	2 A2L146CH4	0 A2L146CH4	0 B9L205C13	722.268		
607	117	CASUALTIES & INS-OTHER	2 A2L147CH4	0 A2L147CH4	0 B9L206C13	22.01965		
608	126	JT FACILITY RENT-OTHER (DR)	2 A2L156CH4	0 A2L156CH4	0 B9L207C13	.38564		
609	129	JT FACILITY RENT-OTHER (CR)	2 A2L159CH4	0 A2L159CH4	0 B9L208C13	.03282		
610	141	JT FACILITY-OTHER (DR)	2 A2L171CH4	0 A2L171CH4	0 B9L209C13	1.1323		
611	144	JT FACILITY-OTHER (CR)	2 A2L174CH4	0 A2L174CH4	0 B9L210C13	0		
612	147	DISMANT RET ROAD-OTHER	2 A2L177CH4	0 A2L177CH4	0 B9L211C13	0		
613	150	OTHER EXP	2 A2L180CH4	0 A2L180CH4	0 B9L212C13	.22099		
614	110	SMALL TOOLS	2 A2L149CH4	0 A2L149CH4	0 B9L213C13	0		
615	307	WORK & NR EQUIP	2 A2L245CH4	0 A2L245CH4	0 B9L214C13	19.52466		
616	220	FC ADMINIST	16 A2L220CH4	0 A2L220CH4	0 B9L215C13	2628		
617	222	FC MACHINERY REPAIR	0 A2L222CH4	0 A2L222CH4	0 B9L216C13	1342		
618	223	FC EQUIP DAMAGED	16 A2L223CH4	0 A2L223CH4	0 B9L217C13	0		
619	224	FC FRINGE BENEFITS	16 A2L224CH4	0 A2L224CH4	0 B9L218C13	16778		
620	225	FC OTHER CASUALTY & INSURANCE	16 A2L225CH4	0 A2L225CH4	0 B9L219C13	12645		
621	228	FC J FACILITY RENT (DR)	16 A2L228CH4	0 A2L228CH4	0 B9L220C13	0		
622	229	FC J FACILITY RENT (CR)	16 A2L229CH4	0 A2L229CH4	0 B9L221C13	0		
623	233	FC J FACILITY (DR)	16 A2L233CH4	0 A2L233CH4	0 B9L222C13	0		
624	234	FC J FACILITY (CR)	16 A2L234CH4	0 A2L234CH4	0 B9L223C13	0		
625	236	FC DISMANT RET ROAD-OTHER	16 A2L236CH4	0 A2L236CH4	0 B9L224C13	0		
626	237	FC OTHER EXP	0 A2L237CH4	0 A2L237CH4	0 B9L225C13	56696		
627	235	FC DAMAGES BILLED (CR)	0 A2L235CH4	0 A2L235CH4	0 B9L226C13	725.1411		
628		TOTAL OPERATING EXPENSE : (SUM L601-627) -2.*(L609+L611+L622+L624+L627) SH & ENG DEPR-FG						
909120			XX 0 B2L920C2	XX	XX	98778		
629			0 B5L418C3	0 B5L418C3	0 B5L418C3	323.8213		

630	909320	SH & ENG LEASE/RENT-FC	0	B2L330C2	0	B5L418C4	0	B5L418C4	0	218.3342	0
631	809138	SHOP MACH DEPR-FC	0	B2L234C2	0	B5L418C7	0	B5L418C7	0	13593	0
632	809338	SHOP MACH LEASE/RENT	0	B2L238C2	0	B2L220C2	0	B2L220C2	0	45773	0
633	809111	FREIGHT CAR-DEPR	0	B2L220C2	0	B2L525C2	0	B2L525C2	0	7608	0
634	809311	FREIGHT CAR-LEASE/RENT	0	B2L525C2	0	B2L656C2	0	B2L656C2	0	3699	0
635	9411	NET PER DIEM RENT-MILEAGE	0	B2L656C2	0	B2L657C2	0	B2L657C2	0	71215	0
636	9511	NET PER DIEM RENT-TIME	0	B2L657C2	0	B5L633C4	0	B5L633C4	0	2533	0
637		TOTAL DEPR, L/R EXPENSE	0	B5L633C4	0	B5L708C4	0	B5L708C4	0	31093	0
638	909820	SHOP & ENG/SHOP MACH ROI	0	B5L708C4	0	XX	0	XX	0	201087	0
639	809811	FREIGHT CAR-ROI	0	B5L708C4	0	XX	0	XX	0	201087	0
640		TOTAL ROI: L638+L639	0	B5L708C4	0	XX	0	XX	0	201087	0
641		GRAND TOTAL VARIABLE EXPENSE (EXCL G/O)	0	B5L708C4	0	XX	0	XX	0	201087	0
641		:L628+L637+L640	0	B5L708C4	0	XX	0	XX	0	201087	0

WORKTABLE D6 PART 6 (CONTINUED)											
Annual URCS Process for Union Pacific Railroad Company 22-Sep-06											
PAGE-322											
LINE	CODE	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	RUNNING PORTION OF CM EXPENSE CASES OF C9	
601	809011	.86	56409	A1L566C2	28204	28204	A3L313C1	3	27053	1151	
602	002	.61911	13.56054	A1L566C2	6.78027	6.78027	A2L102C1	5	28363		
603	005	.61911	4.29025	A1L566C2	2.14513	2.14513	A2L105C1	5	.08973		
604	024	.63124	120.21581	A1L566C2	1079	1079	A2L120C1	5	.000318		
605	033	.37403	75.6977	A1L566C2	60.12025	60.12025	A2L129C1	5	2.51492		
606	114	.61911	13.56054	A1L566C2	37.84885	37.84885	A2L144C1	5	1.58327		
607	117	.63124	13.89969	A1L566C2	6.94984	6.94984	A2L147C1	5	2.7808		
608	126	.63124	24.343	A1L566C2	12172	12172	A2L156C1	5	.00487		
609	129	.63124	.02072	A1L566C2	.01036	.01036	A2L159C1	5	.000414		
610	141	.63124	.711475	A1L566C2	.35738	.35738	A2L171C1	5	.0143		
611	144	.63124	0	A1L566C2	0	0	A2L177C1	5	0		
612	147	.63124	0	A1L566C2	0	0	A2L177C1	5	0		
613	150	.86	19005	A1L566C2	.09503	.09503	A2L180C1	5	.09122	.003802	
614	110	.61911	0	A1L566C2	0	0	A2L140C1	5	0	0	
615	307	.62805	12.26249	A1L566C2	6.13124	6.13124	A2L245C1	5	5.88097	25028	
616	220	.37944	997.2917	A1L566C2	498.6458	498.6458	A2L220C1	5	478.291	20.3548	
617	222	.86	1154	A1L566C2	577.1971	577.1971	A2L222C1	5	553.6358	23.5613	
618	223	.37403	0	A1L566C2	0	0	A2L223C1	5	0	0	
619	224	.37944	6366	A1L566C2	3183	3183	A2L224C1	5	3053	129.94	
620	225	.37403	4729	A1L566C2	2364	2364	A2L225C1	5	2270	94.6257	
621	228	.37403	0	A1L566C2	0	0	A2L228C1	5	0	0	
622	229	.37403	0	A1L566C2	0	0	A2L229C1	5	0	0	
623	233	.37403	0	A1L566C2	0	0	A2L233C1	5	0	0	
624	234	.37403	0	A1L566C2	0	0	A2L234C1	5	0	0	
625	236	.37403	0	A1L566C2	0	0	A2L236C1	5	0	0	
626	237	.86	48759	A1L566C2	24379	24379	A2L237C1	5	23404	0.09755	
627	235	.86	623.6214	A1L566C2	311.8107	311.8107	A2L235C1	5	299.0825	12.7282	
628	XX	XX	69275	XX	34637	34637	XX	XX	33225	1412	
629	909120	.5	161.9106	A1L566C2	80.95532	80.95532	A3L714C1	5	77.1605	3.23927	
630	909120	.5	109.1671	A1L566C2	0	0	A3L815C1	5	0	0	
631	809138	.5	0	A1L566C2	0	0	A3L439C1	5	0	0	
632	809338	1	13593	A1L566C2	54.58355	54.58355	A3L439C1	5	52.3995	2.18405	
633	809111	1	45773	XX	8155	8155	A3L413C1	5	5219	217.56	
634	809111	1	45773	XX	0	0	A3L613C1	5	0	0	
635	9411	1	7608	XX	0	0	A3L206C1	5	7303	304.42	
636	9511	1	3699	XX	0	0	A3L206C1	5	0	0	
637	9511	1	70944	XX	13180	13180	XX	XX	12653	527.4	
638	909820	.5	1266	A1L566C2	633.3921	633.3921	1.0	XX	608.0481	25.3439	
639	809811	XX	28560	A1L566C4	1124	1124	XX	XX	10967	45.11	
640	XX	XX	29827	XX	12057	12057	XX	XX	11575	482.46	
641	XX	XX	170046	XX	59876	110170	XX	XX	57454	2421	

*ABBREVIATION FOR ANNUALIZATION PERIOD											
Annual URCS Process for Union Pacific Railroad Company 22-Sep-06											
PAGE-323											
LINE	CODE	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	RUNNING PORTION OF CM EXPENSE CASES OF C9	
601	809011	.86	56409	A1L566C2	28204	28204	A3L313C1	3	27053	1151	
602	002	.61911	13.56054	A1L566C2	6.78027	6.78027	A2L102C1	5	28363		
603	005	.61911	4.29025	A1L566C2	2.14513	2.14513	A2L105C1	5	.08973		
604	024	.63124	120.21581	A1L566C2	1079	1079	A2L120C1	5	.000318		
605	033	.37403	75.6977	A1L566C2	60.12025	60.12025	A2L129C1	5	2.51492		
606	114	.61911	13.56054	A1L566C2	37.84885	37.84885	A2L144C1	5	1.58327		
607	117	.63124	13.89969	A1L566C2	6.94984	6.94984	A2L147C1	5	2.7808		
608	126	.63124	24.343	A1L566C2	12172	12172	A2L156C1	5	.00487		
609	129	.63124	.02072	A1L566C2	.01036	.01036	A2L159C1	5	.000414		
610	141	.63124	.711475	A1L566C2	.35738	.35738	A2L171C1	5	.0143		
611	144	.63124	0	A1L566C2	0	0	A2L177C1	5	0		
612	147	.63124	0	A1L566C2	0	0	A2L177C1	5	0		
613	150	.86	19005	A1L566C2	.09503	.09503	A2L180C1	5	.09122	.003802	
614	110	.61911	0	A1L566C2	0	0	A2L140C1	5	0	0	
615	307	.62805	12.26249	A1L566C2	6.13124	6.13124	A2L245C1	5	5.88097	25028	
616	220	.37944	997.2917	A1L566C2	498.6458	498.6458	A2L220C1	5	478.291	20.3548	
617	222	.86	1154	A1L566C2	577.1971	577.1971	A2L222C1	5	553.6358	23.5613	
618	223	.37403	0	A1L566C2	0	0	A2L223C1	5	0	0	
619	224	.37944	6366	A1L566C2	3183	3183	A2L224C1	5	3053	129.94	
620	225	.37403	4729	A1L566C2	2364	2364	A2L225C1	5	2270	94.6257	
621	228	.37403	0	A1L566C2	0	0	A2L228C1	5	0	0	
622	229	.37403	0	A1L566C2	0	0	A2L229C1	5	0	0	
623	233	.37403	0	A1L566C2	0	0	A2L233C1	5	0	0	
624	234	.37403	0	A1L566C2	0	0	A2L234C1	5	0	0	
625	236	.37403	0	A1L566C2	0	0	A2L236C1	5	0	0	
626	237	.86	48759	A1L566C2	24379	24379	A2L237C1	5	23404	0.09755	
627	235	.86	623.6214	A1L566C2	311.8107	311.8107	A2L235C1	5	299.0825	12.7282	
628	XX	XX	69275	XX	34637	34637	XX	XX	33225	1412	
629	909120	.5	161.9106	A1L566C2	80.95532	80.95532	A3L714C1	5	77.1605	3.23927	
630	909120	.5	109.1671	A1L566C2	0	0	A3L815C1	5	0	0	
631	809138	.5	0	A1L566C2	0	0	A3L439C1	5	0	0	
632	809338	1	13593	A1L566C2	54.58355	54.58355	A3L439C1	5	52.3995	2.18405	
633	809111	1	45773	XX	8155	8155	A3L413C1	5	5219	217.56	
634	809111	1	45773	XX	0	0	A3L613C1	5	0	0	
635	9411	1	7608	XX	0	0	A3L206C1	5	7303	304.42	
636	9511	1	3699	XX	0	0	A3L206C1	5	0	0	
637	9511	1	70944	XX	13180	13180	XX	XX	12653	527.4	
638	909820	.5	1266	A1L566C2	633.3921	633.3921	1.0	XX	608.0481	25.3439	
639	809811	XX	28560	A1L566C4	1124	1124	XX	XX	10967	45.11	
640	XX	XX	29827	XX	12057	12057	XX	XX	11575	482.46	
641	XX	XX	170046	XX	59876	110170	XX	XX	57454	2421	

0018

LINE		CODE	1: B7L806C7 2: B7L806C16 3: B7L806C25 4: B7L806C34 5: B7L806C43					1: B7L806C5 2: B7L806C14 3: B7L806C23 4: B7L806C32 5: B7L806C41					CM (LH) TO TOTAL VARIABLE COST C10/C12					UNIT COST PER CM (LH) C10/C12					CM (LH) TO TOTAL VARIABLE COST C10/C12					UNIT COST PER CM (LH) C10/C12					CM-YARD TO TOTAL VARIABLE COST C11/C15					1: C8 #B7L806C4 2: C8 #B7L806C13 3: C8 #B7L806C22 4: C8 #B7L806C31 5: C8 #B7L806C40					YARD PORTION OF CD EXPENSE C8 -C18 (19)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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601		809011	826282	03274	.47959	13524	.08513	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041	.02041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[illegible]

LINE	CODE	IDENTIFICATION	WT-CO REGRES- SION REF	REGR EXPENSE IF C1 =BLANK THEN C2:=BLANK ELSE IF C1L(C1)C2=X' DO C2:=BLANK	SOURCE	DEFAULT IF C2 NOT =BLANK DO C3:=BLANK
			(1)	(2)	(3)	
701	809012	FREIGHT CAR REPAIRS	0	A3L314C12	0	32569
702	002	ADMINIST B & B	2	A2L102C44	0	10.87575
703	005	ADMINIST OTHER	2	A2L105C44	0	3.44085
704	024	ROAD PROP DAMAGED OTHER	2	A2L120C44	0	16976
705	033	SHOP BUILDINGS	16	A2L129C44	0	159.4522
706	114	FRINGES OTHER	2	A2L114C44	0	60.71066
707	117	CASUALTIES & INS-OTHER	2	A2L147C44	0	10.93358
708	126	JT FACILITY RENT-OTHER(DR)	2	A2L156C44	0	.19148
709	129	JT FACILITY RENT-OTHER (CR)	2	A2L159C44	0	.0163
710	141	JT FACILITY-OTHER (DR)	2	A2L171C44	0	.56223
711	144	JT FACILITY-OTHER (CR)	2	A2L174C44	0	0
712	147	DISMANT RET ROAD-OTHER	2	A2L177C44	0	0
713	150	OTHER EXP	2	A2L180C44	0	.10973
714	110	SMALL TOOLS	2	A2L140C44	0	0
715	307	WORK & NR EQUIP	16	A2L2145C44	0	9.69473
716	220	FC ADMINIST	16	A2L220C44	0	1305
717	222	FC MACHINERY REPAIR	0	A2L222C44	0	666.5116
718	223	FC EQUIP DAMAGED	16	A2L223C44	0	0
719	224	FC FRINGE BENEFITS	16	A2L224C44	0	8331
720	225	FC OTHER CASUALTY & INSURANCE	16	A2L225C44	0	6278
721	228	FC J FACILITY RENT (DR)	16	A2L228C44	0	0
722	229	FC J FACILITY RENT (CR)	16	A2L229C44	0	0
723	233	FC J FACILITY (DR)	16	A2L233C44	0	0
724	234	FC J FACILITY (CR)	16	A2L234C44	0	0
725	236	FC DISMANT RET ROAD-OTHER	16	A2L236C44	0	0
726	237	FC OTHER EXP	0	A2L237C44	0	28152
727	235	FC DAMAGES BILLED (CR)	0	A2L235C44	0	360.0598
728		TOTAL OPERATING EXPENSE : (SUM L701-727) -2.*(L709+L711+L722+L724+L727)	XX	XX	0	49047
729	909120	SH & ENG DEPR-FC	0	B2L920C2	0	160.7894
730	909320	SH & ENG LEASE/RENT-FC	0	B2L830C2	0	0
731	809138	SHOP MACH DEPR-FC	0	B2L234C2	0	207.3958
732	809338	SHOP MACH LEASE/RENT	0	B2L538C2	0	0
733	809112	FREIGHT CAR-DEPR	0	B2L221C2	0	12912

0022

449	REGR	VAR PERCENTAGE DL D1-7+D8	XX	XX	2089616	XX	XX
450	REGR	VAR PERCENTAGE DL D1-7	XX	XX	2089616	XX	XX
451	REGR	VAR PERCENTAGE DL D1-7	XX	XX	2089616	XX	XX
452	REGR	VAR PERCENTAGE DL D1-7	XX	XX	2089616	XX	XX
453	REGR	VAR PERCENTAGE DL D1-7	XX	XX	2089616	XX	XX
454	REGR	VAR PERCENTAGE DL D1-7	XX	XX	2089616	XX	XX
455	REGR	VAR PERCENTAGE DL D1-7	XX	XX	2089616	XX	XX
456	REGR	VAR PERCENTAGE DL D1-7	XX	XX	2089616	XX	XX

WORKTABLE D8 PART 6
GENERAL OVERHEAD AND CONSTANT COSTS
ANNUAL URCS PROCESS FOR Union Pacific Railroad Company 22-Sep-06
CALCULATION OF GENERAL OVERHEAD AND CONSTANT COST MARKUP RATIOS
PAGE-417

LINE	IDENTIFICATION	SOURCE OF C1	AMOUNT (1)
601	VARIABLE EXPENSE-OPR D8	L326C5	664258
602	VARIABLE EXPENSE-OPR D8	L355C5	120418
603	VARIABLE EXPENSE-OPR D8	L369C5	58709
604	VARIABLE EXPENSE-OPR D1-7	L435C1	6327705
605	VARIABLE EXPENSE-OPR D1-7	L435C2	2089616
606	VARIABLE EXPENSE-OPR D1-7	L435C3	2064691
607	GOH MARKUP RATIO-OPR	(L607/L604)+1.0	1.10498
608	GOH MARKUP RATIO-OPR	(L607/L605)+1.0	1.05763
609	GOH MARKUP RATIO-OPR	(L607/L606)+1.0	1.02844
610	VARIABLE EXPENSE-TOTAL D8	L601+L602+L603	843386
611	VARIABLE EXPENSE-TOTAL D1-7	L604+L605+L606	10482012
612	GENERAL OVERHEAD MARKUP RATIO-AVERAGE	(L610/L611)+1.0	1.08046
613	TOTAL RAILWAY EXPENSE	L136C1	15047432
614	TOTAL VARIABLE RAILWAY EXPENSE	L610+L611	11325398
615	VARIABLE PORTION OF TOTAL EXPENSE	L614/L613	.75265
616	CONSTANT COST PORTION OF TOTAL EXPENSE	1.0-L615	.24735
617	CONSTANT COST MARKUP RATIO	L613/L614	1.32864

*EXCLUDING LOCAL MARINE AND OTHER SPECIAL SERVICE TERMINALS.
*INCLUDING SWITCHING AND TERMINAL COMPANIES.

WORKTABLE D8 PART 7A
GENERAL OVERHEAD AND CONSTANT COSTS
ANNUAL URCS PROCESS FOR Union Pacific Railroad Company 22-Sep-06
CALCULATION OF OUTPUT UNIT COSTS
PAGE-418

LINE	OUTPUT UNITS	SOURCE	UNIT COST (1)	UNIT COST (2)	UNIT COST (3)	UNIT COST (4)	UNIT COST (5)	UNIT COST (6)
701	TM(C) D-1	D1L157C10	.00032835	XX	D1L234C10	.000362	XX	D1L251C10
702	TM(C) D-3	D3L191C10	.00120626	XX	D3L217C10	.00022457	XX	D3L224C10
703	TM(C) TOTAL	L701+L702	.00153461	.00169571	D1L1+L702	.00058658	.00062038	D1L251C14
704	CLM D-1	D1L157C15	0	XX	D3L217C14	0	XX	D3L224C14
705	CLM D-3	D3L191C15	0	XX	D3L217C14	0	XX	D3L224C14
706	CLM D-5	D5L121C10	0	XX	L704+L705	0	XX	L704+L705
707	CLM TOTAL	L704+L705	0	XX	D1L234C18	0	XX	D1L251C18
708	TM D-1	D1L157C20	0	XX	D3L217C22	0	XX	D3L224C22
709	TM D-3	D3L191C25	.55156	XX	L708+L709	.00293364	.00310269	L708+L709
710	TM TOTAL	L708+L709	.55156	.60946	D3L217C26	.00293364	.00310269	D3L224C26
711	TM(C) D-3*	D3L191C30	7.00257	7.73767	D3L217C30	.63129	.66767	D3L224C30
712	CLM D-3	D3L191C20	3.40083	3.75783	D3L217C18	0	XX	D3L224C18
713	CLM D-5	D5L121C15	0	XX	L713	0	XX	L713
714	CLM D-5	D5L121C18	4.42836	4.89323	L713	0	XX	L713
715	CLM TOTAL	L713+L714	4.42836	4.89323	L713	0	XX	L713
716	CLM D-5	D5L121C14	0	XX	D3L217C18	0	XX	D3L224C18
717	CLM CL D-5	D5L122C10	0	XX	D3L217C18	0	XX	D3L224C18
718	CLM CL D-5	D5L122C18	0	XX	D3L217C18	0	XX	D3L224C18
719	CLM CL D-5	D5L122C14	12.80852	14.15311	D2L236C10	.38564	.40644	D2L255C10
720	CLM CL D-5	D5L122C10	.38563	XX	D2L236C10	.38564	.40644	D2L255C10

Annual URCS Process for Union Pacific Railroad Company 22-Sep-06										PAGE-424	
WORKTABLE E1 PART 1 UNIT COSTS FOR LINEHAUL, TERMINAL, CLERICAL AND SPECIAL SERVICE OPERATIONS											
LINE	SERVICE UNIT	SOURCE	OPR EXPENSE UNIT COST (1)	DL EXPENSE UNIT COST (2)	SOURCE	ROI EXPENSE UNIT COST (3)					
803	D6L1803C8	16373	17377								
804	D6L1804C8	.00214362	.00226715								
805	D6L1805C8	.00105232	.00111296								
806	D6L1806C8	.05401	.05712								
807	D6L1807C8	.00163726	.00173161								
808	D6L1808C8	.0000381	.00004029								
809	D6L1809C8	.00836102	.00884284								
810	D6L1810C8	.04323	.04572								
811	D6L1811C8	.26881	.2843								
812	D6L1812C8	.10965	.11597								
813	D6L1813C8	0	0								
814	D6L1814C8	.19398	.20516								
815	D6L1815C8	.0087178	.00922018								
816	D6L1816C8	.00626226	.00662313								
817	D6L1817C8	.01562	.01652								
818	D6L1818C8	0	0								
819	XX	XX	XX								
820	D6L1819C5/ D6L1819C7	.0485	.05129								
WORKTABLE E1 PART 2 UNIT COSTS FOR LINEHAUL, TERMINAL, CLERICAL AND SPECIAL SERVICE OPERATIONS											
LINE	SERVICE UNIT	SOURCE	OPR EXPENSE UNIT COST (1)	DL EXPENSE UNIT COST (2)	SOURCE	ROI EXPENSE UNIT COST (3)					
101	GROSS TON MILE	D8L703C2	.00169571	.00062038	D8L703C6	.00112249					
102	CAR MILE-OTHER THAN CLERICAL	D8L707C2	0	0	D8L707C6	0					
103	TRAIN MILE-OTHER THAN CREW	D8L710C2	.60946	.00310269	D8L710C6	.00322337					
104	TRAIN MILE-CREW	D8L711C2	7.73767	XX	XX	XX					
105	LOCOMOTIVE UNIT MILE	D8L712C2	3.75783	.66767	D8L712C6	.41799					
106	CLDR (CARLOADS HANDLED)-OTHER THAN CLERICAL	D8L715C2	4.89323	0	D8L715C6	0					
107	CLOR (CARLOADS HANDLED)-CLERICAL	D8L718C2	0	XX	XX	XX					
108	CL OR IC OR TERMINATED-OTHER THAN CLERICAL	D8L716C2	0	XX	XX	XX					
109	CL OR TG OR TERMINATED-CLERICAL	D8L719C2	14.15311	XX	XX	XX					
110	CAR MILE-CLERICAL	D8L717C2	0	XX	XX	XX					
111	SWITCH-ENGINE MINUTES	D8L723C2	4.38109	.55707	D8L723C6	1.9353					
112	TON MILES IN LAKE TRANSFER SERVICE	D8L724C2	0	0	D8L724C6	0					
113	TONS HANDLED AT COAL TERMINALS	D8L725C2	0	0	D8L725C6	0					
114	TONS HANDLED AT ORE TERMINALS	D8L726C2	0	0	D8L726C6	0					
115	TONS HANDLED AT OTHER MARINE TERMINALS	D8L727C2	0	0	D8L727C6	0					
116	REFRIGERATED CAR MILES	D8L728C2	0	XX	XX	XX					
117	PROTECTIVE SERVICE REEFER TCU DAYS	D8L733C2	0	XX	XX	XX					
118	REFRIGERATED TCU DAYS	D8L731C2	0	0	D8L731C6	0					
119	OTHER (NON-REFRIGERATED) TCU DAYS	D8L732C2	2.61492	4.35331	D8L732C6	.04366					
120	TCU'S LOADED AND UNLOADED	D8L730C2	30.61941	1.26507	D8L730C6	4.44009					
121	WVU'S LOADED AND UNLOADED	D8L729C2	7.16262	XX	XX	XX					
122	TCU'S PICKED UP AND DELIVERED	D8L734C2	253.1115	XX	XX	XX					

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WORKTABLE E1 PART 2															
OUTPUT UNIT COSTS															
UNIT COSTS FOR FREIGHT CAR OWNERSHIP AND MAINTENANCE															
LINE	CAR TYPE	SOURCE	OPR			DL			ROI			OPR			
			EXPENSE	UNIT COST	CM(R)	EXPENSE	UNIT COST	CM(R)	EXPENSE	UNIT COST	CM(Y)	EXPENSE	UNIT COST	CM(Y)	
			RR OWNED	SOURCE	RR OWNED	RR OWNED	SOURCE	RR OWNED	RR OWNED	SOURCE	RR OWNED	RR OWNED	RR OWNED		
			(1)		(2)			(3)			(4)				
201	BOX - 40 FOOT GENERAL	D8L801C2	30.35217	D8L801C10	0	D8L801C18	0	D8L801C18	0	D8L801C18	204.1216				
202	BOX - 50 FOOT GENERAL	D8L802C2	.01301	D8L802C10	.19026	D8L802C18	.19026	D8L802C18	.10913	D8L802C18	.03383				
203	BOX - EQUIPPED	D8L803C2	.03142	D8L803C10	.05311	D8L803C18	.05311	D8L803C18	.0097212	D8L803C18	.0817				
204	GONDOLA PLATIN	D8L804C2	.01963	D8L804C10	.014	D8L804C18	.014	D8L804C18	.01272	D8L804C18	.05104				
205	GONDOLA - EQUIPPED	D8L805C2	.04949	D8L805C10	.04213	D8L805C18	.04213	D8L805C18	.01129	D8L805C18	.12866				
206	HOPPER - COVERED	D8L806C2	.04437	D8L806C10	.01584	D8L806C18	.01584	D8L806C18	.01409	D8L806C18	.11536				
207	HOPPER - OT - GENERAL	D8L807C2	.03211	D8L807C10	.00687664	D8L807C18	.00687664	D8L807C18	.00888225	D8L807C18	.08348				
208	HOPPER - OT - SPECIAL	D8L808C2	.02214	D8L808C10	.00670064	D8L808C18	.00670064	D8L808C18	.01581	D8L808C18	.05758				

LINE	SOURCE	DI EXPENSE UNIT COST CM(Y)	RR OWNED (5)	DI EXPENSE UNIT COST CM(Y)	RR OWNED (6)	SOURCE	DI EXPENSE UNIT COST CM(Y)	RR OWNED (7)	DI EXPENSE UNIT COST CM(Y)	RR OWNED (8)	SOURCE	DI EXPENSE UNIT COST CM(Y)	RR OWNED (9)	EXPENSE UNIT COST CD(R)
209	REFRIGERATOR - MECH.	D8L809C2		1744	D8L809C10		0355	D8L809C18		01907	D8L809C4		03343	
210	REFRIGERATOR - NON. MECH.	D8L810C2		01047	D8L810C10		01747	D8L810C18		02584	D8L810C4		02722	
211	FLAT - 10FC	D8L811C2		00006788	D8L811C10		0196	D8L811C18		0003306	D8L811C4		00017648	
212	FLAT - MULTILEVEL	D8L812C2		00361874	D8L812C10		1239	D8L812C18		08437	D8L812C4		00940873	
213	FLAT - GENERAL	D8L813C2		04162	D8L813C10		13359	D8L813C18		05302	D8L813C4		1082	
214	FLAT - OTHER	D8L814C2		01257	D8L814C10		06121	D8L814C18		0098112	D8L814C4		03268	
215	TANK <22,000 GAL			XX			XX			XX			XX	
216	TANK >22,000 GAL			XX			XX			XX			XX	
217	ALL OTHER FC	D8L817C2		01257	D8L817C10		0078521	D8L817C18		0003433	D8L817C4		03268	
218	AUTO RACKS	D8L818C2		00361874	D8L818C10		06319	D8L818C18		08375	D8L818C4		00940873	
219	ACCESSORIAL	D8L819C2		00001813	D8L819C10		00008738	D8L819C18		00020257	D8L819C4		00004713	
220	AVERAGE FC	D8L820C2		02944	D8L820C10		02809	D8L820C18		01224	D8L820C4		08019	
221	TOTAL FLAT, MULTILEVEL	L212		00361874	L212		1239	L212		08437	L212		00940873	

WORKTABLE E1 PART 2 (CONTINUED) Annual URCS Process for Union Pacific Railroad Company 22-Sep-06 PAGE-426

LINE	SOURCE	DI EXPENSE UNIT COST CM(Y)	RR OWNED (5)	DI EXPENSE UNIT COST CM(Y)	RR OWNED (6)	SOURCE	DI EXPENSE UNIT COST CM(Y)	RR OWNED (7)	DI EXPENSE UNIT COST CM(Y)	RR OWNED (8)	SOURCE	DI EXPENSE UNIT COST CM(Y)	RR OWNED (9)	EXPENSE UNIT COST CD(R)
201	D8L801C12	108.3653	D8L801C20	26.7256	D8L801C6		531.6015	D8L801C14		0	D8L801C22		0	
202	D8L802C12	49467	D8L802C20	28373	D8L802C6		1.81303	D8L802C14		77.42568	D8L802C22		22.22559	
203	D8L803C12	13809	D8L803C20	02528	D8L803C6		4.26432	D8L803C14		15.01766	D8L803C22		1.96888	
204	D8L804C12	0364	D8L804C20	03306	D8L804C6		2.27271	D8L804C14		5.46283	D8L804C22		2.20542	
205	D8L805C12	10955	D8L805C20	02935	D8L805C6		4.51386	D8L805C14		10.23657	D8L805C22		1.52096	
206	D8L806C12	04118	D8L806C20	03663	D8L806C6		5.1089	D8L806C14		8.20904	D8L806C22		2.42562	
207	D8L807C12	01748	D8L807C20	02309	D8L807C6		3.68398	D8L807C14		10246	D8L807C22		1.46593	
208	D8L808C12	01742	D8L808C20	04111	D8L808C6		2.11861	D8L808C14		8.99691	D8L808C22		2.20658	
209	D8L809C12	06629	D8L809C20	04958	D8L809C6		28.41573	D8L809C14		-4.83346	D8L809C22		4.52044	
210	D8L810C12	05452	D8L810C20	0085957	D8L810C6		1.52068	D8L810C14		3.26841	D8L810C22		5.9392	
211	D8L811C12	05095	D8L811C20	0085957	D8L811C6		0.119	D8L811C14		33.6405	D8L811C22		0.8625	
212	D8L812C12	32214	D8L812C20	21937	D8L812C6		12789	D8L812C14		12.87102	D8L812C22		4.54873	
213	D8L813C12	34734	D8L813C20	13785	D8L813C6		5.35472	D8L813C14		102.1102	D8L813C22		10.03864	
214	D8L814C12	15915	D8L814C20	02551	D8L814C6		1.42878	D8L814C14		16.43324	D8L814C22		1.67831	
215	XX	XX	XX	XX	XX		XX	XX		XX	XX		XX	
216	D8L817C12	02042	D8L817C20	00089257	D8L817C6		1.08876	D8L817C14		4.10071	D8L817C22		0.3871	
217	D8L818C12	1643	D8L818C20	21776	D8L818C6		12789	D8L818C14		8.48224	D8L818C22		4.51795	
218	D8L819C12	00022719	D8L819C20	00052668	D8L819C6		00215966	D8L819C14		01568	D8L819C22		0.6132	
219	D8L820C12	09679	D8L820C20	05032	D8L820C6		3.95162	D8L820C14		13.98944	D8L820C22		1.98659	
220	D8L820C12	32214	L212	21937	L212		12789	L212		12.87102	L212		4.54873	

WORKTABLE E1 PART 2 (CONTINUED) Annual URCS Process for Union Pacific Railroad Company 22-Sep-06 PAGE-427

LINE	SOURCE	DI EXPENSE UNIT COST CM(Y)	RR OWNED (10)	DI EXPENSE UNIT COST CM(Y)	RR OWNED (11)	SOURCE	DI EXPENSE UNIT COST CM(Y)	RR OWNED (12)	DI EXPENSE UNIT COST CM(Y)	RR OWNED (13)	SOURCE	DI EXPENSE UNIT COST CM(Y)	RR OWNED (14)	EXPENSE UNIT COST CD(R)
201	D8L801C8	765.302	D8L801C16	298.6175	D8L801C24		49.88415	D8L801C26		0				
202	D8L802C8	4.81303	D8L802C16	77.42568	D8L802C24		22.22559	D8L802C26		18104				
203	D8L803C8	4.26432	D8L803C16	15.01767	D8L803C24		1.96888	D8L803C26		17317				
204	D8L804C8	4.51386	D8L804C16	5.46283	D8L804C24		2.20542	D8L804C26		00226715				
205	D8L805C8	4.51386	D8L805C16	10.23657	D8L805C24		2.53096	D8L805C26		00111296				
206	D8L806C8	5.1089	D8L806C16	8.20904	D8L806C24		2.42562	D8L806C26		05712				
207	D8L807C8	3.68398	D8L807C16	10246	D8L807C24		1.46593	D8L807C26		00173161				
208	D8L808C8	2.11861	D8L808C16	8.99691	D8L808C24		2.20658	D8L808C26		00004029				
209	D8L809C8	28.41574	D8L809C16	4.83346	D8L809C24		4.52044	D8L809C26		00884284				
210	D8L810C8	1.52068	D8L810C16	3.26841	D8L810C24		5.9392	D8L810C26		04572				
211	D8L811C8	0119	D8L811C16	33.6405	D8L811C24		0.8625	D8L811C26		2843				
212	D8L812C8	12789	D8L812C16	12.87102	D8L812C24		4.54873	D8L812C26		17597				
213	D8L813C8	5.35472	D8L813C16	102.1102	D8L813C24		10.03864	D8L813C26		0				
214	D8L814C8	1.42878	D8L814C16	16.43324	D8L814C24		1.67831	D8L814C26		20516				
215	XX	XX	XX	XX	XX		XX	XX		00922018				
216	XX	XX	XX	XX	XX		XX	XX		00662313				

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217	D8L817C8	1.08876	D8L817C16	4.70071	D8L817C24	.03871	D8L817C26	.01652
218	D8L818C8		D8L818C16		D8L818C24		D8L818C26	
219	D8L819C8	.12789	D8L819C16	8.48224	D8L819C24	4.51795	XX	0
220	D8L820C8	.00215966	D8L820C16	.01568	D8L820C24	.03632	XX	05129
221	D8L820C8	3.47804	D8L820C16	12.28002	D8L820C24	2.26626	D8L820C26	.11597
222	D8L820C8	.12789	D8L820C16	12.87102	D8L820C24	4.54873	D8L820C26	.11597

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WORKTABLE E1 PART 3

UNIT COSTS FOR LOSS AND DAMAGE CLAIM PAYMENTS								
LINE	STCC	IDENTIFICATION	SOURCE	UNIT COST PER TON				

301	01	FARM PRODUCTS	A1L401C3	.06871				
302	0113	GRAIN	A1L402C3	.03703				
303	01195	POTATOES OTHER THAN SWEET	A1L403C3	3.07708				
304	012	FRESH FRUITS	A1L404C3	.50746				
305	013	FRESH VEGETABLES	A1L405C3	.42785				
306	10	ALL OTHER FARM PRODUCTS	A1L406C3	.0827				
307	11	METALLIC ORES	A1L407C3	.01508				
308	11	COAL	A1L408C3	.00356087				
309	14	NONMETALLIC MINERALS	A1L409C3	.00337076				
310	20	FOOD AND KINDRED PRODUCTS	A1L410C3	.11741				
311	2011	FRESH MEATS	A1L411C3	0				
312	202	DAIRY PRODUCTS	A1L412C3	.11921				
313	203	CANNED FRUITS/VEG	A1L413C3	.62026				
314	204	GRAIN MILL PRODUCTS	A1L414C3	.0612				
315	2041	FLOUR	A1L415C3	.0572				
316	2042	PREPARED FEEDS	A1L416C3	.03759				
317	2043	CEREALS	A1L417C3	.15248				
318	2044	RICE	A1L418C3	.27671				
319	2045	PREPARED FLOUR	A1L419C3	.59521				
320	2046	CORN PRODUCTS	A1L420C3	.03341				
321	2062	REFINED SUGAR	A1L421C3	.15413				
322	20821	BEER	A1L422C3	.32655				
323	2084	WINES	A1L423C3	.04297				
324	20851	WHISKEY	A1L424C3	.1426				
325	209	MISC FOOD PREPARATIONS	A1L425C3	.04204				
326	21	ALL OTHER FOOD PRODUCTS	A1L426C3	.09363				
327	21	TOBACCO PRODUCTS	A1L427C3	32.38171				
328	24	LUMBER AND WOOD EX FURNITURE	A1L428C3	.07879				
329	2421	LUMBER/DIMENSION STOCK	A1L429C3	.10262				
330	2432	PLYWOOD OR VENEER	A1L430C3	.13331				
331	25	ALL OTHER LUMBER AND WOOD PRODUCTS	A1L431C3	.04367				
332	25	FURNITURE AND FIXTURES	A1L432C3	.55942				
333	26	PULP, PAPER AND ALLIED PRODUCTS	A1L433C3	.24454				
334	26211	NEWSPRINT	A1L434C3	.21666				
335	26213	PRINTING PAPER	A1L435C3	.33928				
336	263	FIBREBD/PAPERDB/PULPDB	A1L436C3	.21874				
337	264	GOV PAPER/PAPERBOARD	A1L437C3	.17266				
338	26471	SANITARY TISSUES	A1L438C3	.14384				
339		ALL OTHER PULP, PAPER & ALLIED PRODUCTS	A1L439C3	.13479				

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Annual URCS Process for Union Pacific Railroad Company

WORKTABLE E1 PART 3 (CONTINUED)

LINE	STCC	IDENTIFICATION	SOURCE	UNIT COST PER TON				
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340	28	CHEMICALS	A1L440C3	.05794				
341	281	INDUSTRIAL CHEMICALS	A1L441C3	.01062				
342	2812	POTASSIUM OR SODIUM	A1L442C3	.02957				
343	282	SYN FIBRES/RESINS/RUBBER	A1L443C3	.1545				
344	289	MISC CHEMICALS PRODUCTS	A1L444C3	.10704				
345		ALL OTHER CHEMICALS	A1L445C3	.03525				
346	29	PETROLEUM OR COAL PRODUCTS	A1L446C3	.01084				
347	30	RUBBER AND MISC PLASTICS	A1L447C3	.10553				
348	301	RUBBER TIRES/INNER TUBES	A1L448C3	.14101				
349		ALL OTHER RUBBER PRODUCTS	A1L449C3	.08908				
350	32	STONE, CLAY AND GLASS PRODUCTS	A1L450C3	.02926				
351	321	FLAT GLASS	A1L451C3	1.23246				

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LINE	SOURCE	CD PER INDUSTRY SW (9)	SOURCE	CD PER INTRATERM SW (10)	SOURCE	CD PER INTRATERM SW (11)	SOURCE	CD PER INTERTERM SW (12)	SOURCE	CD PER I & I SW (13)
105	B3L830C3	1.89276	A1L505C1	1.11	A1L505C2	1.122	A1L505C3	1.119	A1L505C5	2
106	B3L840C3	2.01031	A1L506C1	1.126	A1L506C2	1.164	A1L506C3	1.148	A1L506C5	2
107	B3L841C3	2.0903	A1L507C1	1.076	A1L507C2	1.137	A1L507C3	1.106	A1L507C5	2
108	B3L842C3	2.13465	A1L508C1	1.079	A1L508C2	1.137	A1L508C3	1.106	A1L508C5	2
109	B3L843C3	1.74824	A1L509C1	1.079	A1L509C2	1.079	A1L509C3	1.078	A1L509C5	2
110	B3L844C3	1.82257	A1L510C1	1.118	A1L510C2	1.159	A1L510C3	1.153	A1L510C5	2
111	B3L845C3	1.15481	A1L511C1	1.069	A1L511C2	1.107	A1L511C3	1.085	A1L511C5	2
112	B3L846C3	1.44804	A1L512C1	1.061	A1L512C2	1.166	A1L512C3	1.152	A1L512C5	2
113	B3L847C3	2.00531	A1L513C1	1.086	A1L513C2	1.177	A1L513C3	1.153	A1L513C5	2
114	B3L848C3	1.88042	A1L514C1	1.088	A1L514C2	1.117	A1L514C3	1.155	A1L514C5	2
115	B3L849C3	2.07811	XX	XX	XX	XX	XX	XX	XX	XX
116	B3L850C3	2.04066	XX	XX	XX	XX	XX	XX	XX	XX
117	B3L851C3	2.02746	A1L515C1	1.146	A1L515C2	1.19	A1L515C3	1.179	A1L515C5	2
118	B3L852C3	1.81627	A1L516C1	1.097	A1L516C2	1.157	A1L516C3	1.155	A1L516C5	1.9

WORKTABLE E2 PART 1 (CONTINUED) Annual URCS Process for Union Pacific Railroad Company 22-Sep-06 PAGE-432

LINE	SOURCE	CD PER INDUSTRY SW (9)	SOURCE	CD PER INTRATERM SW (10)	SOURCE	CD PER INTRATERM SW (11)	SOURCE	CD PER INTERTERM SW (12)	SOURCE	CD PER I & I SW (13)
101	A1L521C1	1	A1L521C2	5	A1L521C3	2	A1L521C4	1.5	A1L521C5	5
102	A1L522C1	1	A1L522C2	5	A1L522C3	2	A1L522C4	1.5	A1L522C5	5
103	A1L523C1	1	A1L523C2	5	A1L523C3	2	A1L523C4	1.5	A1L523C5	5
104	A1L524C1	1	A1L524C2	5	A1L524C3	2	A1L524C4	1.5	A1L524C5	5
105	A1L525C1	1	A1L525C2	5	A1L525C3	2	A1L525C4	1.5	A1L525C5	5
106	A1L526C1	1	A1L526C2	5	A1L526C3	2	A1L526C4	1.5	A1L526C5	5
107	A1L527C1	1	A1L527C2	5	A1L527C3	2	A1L527C4	1.5	A1L527C5	5
108	A1L528C1	1	A1L528C2	5	A1L528C3	2	A1L528C4	1.5	A1L528C5	5
109	A1L529C1	1	A1L529C2	5	A1L529C3	2	A1L529C4	1.5	A1L529C5	5
110	A1L530C1	1	A1L530C2	5	A1L530C3	2	A1L530C4	1.5	A1L530C5	5
111	A1L531C1	1	A1L531C2	5	A1L531C3	2	A1L531C4	1.5	A1L531C5	5
112	A1L532C1	1	A1L532C2	5	A1L532C3	2	A1L532C4	1.5	A1L532C5	5
113	A1L533C1	1	A1L533C2	5	A1L533C3	2	A1L533C4	1.5	A1L533C5	5
114	A1L534C1	1	A1L534C2	5	A1L534C3	2	A1L534C4	1.5	A1L534C5	5
115	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
116	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
117	A1L535C1	1	A1L535C2	5	A1L535C3	2	A1L535C4	1.5	A1L535C5	5
118	A1L536C1	1	A1L536C2	5	A1L536C3	2	A1L536C4	1.5	A1L536C5	5

WORKTABLE E2 PART 1 (CONTINUED)

LINE	SOURCE	CD PER INDUSTRY SW (14)	SOURCE	CD PER INTRATERM SW (15)	SOURCE	CD PER INTRATERM SW (16)	SOURCE	CD PER INTERTERM SW (17)	SOURCE	CD PER INTERTERM SW (18)
101	A1L521C6	2	A1L521C7	4	A1L521C8	2	A1L521C9	4	A1L521C10	2.75
102	A1L522C6	2	A1L522C7	4	A1L522C8	2	A1L522C9	4	A1L522C10	2.75
103	A1L523C6	2	A1L523C7	4	A1L523C8	2	A1L523C9	4	A1L523C10	2.75
104	A1L524C6	2	A1L524C7	4	A1L524C8	2	A1L524C9	4	A1L524C10	2.75
105	A1L525C6	2	A1L525C7	4	A1L525C8	2	A1L525C9	4	A1L525C10	2.75
106	A1L526C6	2	A1L526C7	4	A1L526C8	2	A1L526C9	4	A1L526C10	2.75
107	A1L527C6	2	A1L527C7	4	A1L527C8	2	A1L527C9	4	A1L527C10	2.75
108	A1L528C6	2	A1L528C7	4	A1L528C8	2	A1L528C9	4	A1L528C10	2.75
109	A1L529C6	2	A1L529C7	4	A1L529C8	2	A1L529C9	4	A1L529C10	2.75
110	A1L530C6	2	A1L530C7	4	A1L530C8	2	A1L530C9	4	A1L530C10	2.75
111	A1L531C6	2	A1L531C7	4	A1L531C8	2	A1L531C9	4	A1L531C10	2.75
112	A1L532C6	2	A1L532C7	4	A1L532C8	2	A1L532C9	4	A1L532C10	2.75
113	A1L533C6	2	A1L533C7	4	A1L533C8	2	A1L533C9	4	A1L533C10	2.75
114	A1L534C6	2	A1L534C7	4	A1L534C8	2	A1L534C9	4	A1L534C10	2.75
115	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
116	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
117	A1L535C6	2	A1L535C7	4	A1L535C8	2	A1L535C9	4	A1L535C10	2.75
118	A1L536C6	2	A1L536C7	4	A1L536C8	2	A1L536C9	4	A1L536C10	2.75

WORKTABLE E2 PART 1 (CONTINUED) Annual URCS Process for Union Pacific Railroad Company 22-Sep-06 PAGE-433

LINE	SOURCE	CM PER INTRATERM SW	SOURCE	CM PER INTRATERM SW	SOURCE	CM PER I & I SW	SOURCE	AVE CH(R) PER CD(R)	SOURCE	AVE MILES BETWEEN I & I SW	SOURCE	AVE MI B/ INTERCH EVENTS						
(19)												(20)	(21)		(22)	(23)		(24)
101	A1L521C11	6	A1L521C12	5.25	A1L521C13	1	B7L201C8	0	A1L561C1	200	B6L301C3	1607						
102	A1L522C11	6	A1L522C12	5.25	A1L522C13	1	B7L202C8	705.4322	A1L562C1	200	B6L302C3	1361						
103	A1L523C11	6	A1L523C12	5.25	A1L523C13	1	B7L203C8	705.4322	A1L563C1	200	B6L303C3	1361						

104	A1L524C11	6	A1L524C12	5	A1L524C13	5	A1L524C13	1	B7L204C8	705	4322	A1L564C1	200	B6L304C3	1538
105	A1L525C11	6	A1L525C12	5	A1L525C13	5	A1L525C13	1	B7L205C8	705	4322	A1L565C1	200	B6L305C3	957.0287
106	A1L526C11	6	A1L526C12	5	A1L526C13	5	A1L526C13	1	B7L206C8	705	4322	A1L566C1	200	B6L306C3	1258
107	A1L527C11	6	A1L527C12	5	A1L527C13	5	A1L527C13	1	B7L207C8	705	4322	A1L567C1	200	B6L307C3	1089
108	A1L528C11	6	A1L528C12	5	A1L528C13	5	A1L528C13	1	B7L208C8	705	4322	A1L568C1	200	B6L308C3	1665
109	A1L529C11	6	A1L529C12	5	A1L529C13	5	A1L529C13	1	B7L209C8	705	4322	A1L569C1	200	B6L309C3	1831
110	A1L530C11	6	A1L530C12	5	A1L530C13	5	A1L530C13	1	B7L210C8	705	4323	A1L570C1	200	B6L310C3	1572
111	A1L531C11	6	A1L531C12	5	A1L531C13	5	A1L531C13	1	B7L211C8	705	4323	A1L571C1	200	B6L311C3	9755
112	A1L532C11	6	A1L532C12	5	A1L532C13	5	A1L532C13	1	B7L212C8	705	4322	A1L572C1	200	B6L312C3	24836
113	A1L533C11	6	A1L533C12	5	A1L533C13	5	A1L533C13	1	B7L213C8	705	4322	A1L573C1	200	B6L313C3	642.3791
114	A1L534C11	6	A1L534C12	5	A1L534C13	5	A1L534C13	1	B7L214C8	705	4322	A1L574C1	200	B6L314C3	2058
115	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
116	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
117	A1L535C11	6	A1L535C12	5	A1L535C13	5	A1L535C13	1	B7L215C8	705	4322	A1L575C1	200	B6L315C3	1111
118	A1L536C11	6	A1L536C12	5	A1L536C13	5	A1L536C13	1	B7L216C8	705	4322	A1L576C1	200	B6L316C3	1667

WORKTABLE E2 PART 1 (CONTINUED)

CURRENT YR			CURRENT YR			CURRENT YR			CURRENT YR			CURRENT YR		
LINE	SOURCE	INDUSTRY SW	SEM PER	SOURCE	INTERCH SW	SEM PER	SOURCE	INTRATERM SW	SEM PER	SOURCE	INTERTERM SW	SEM PER	SOURCE	SEM PER
		(25)			(26)			(27)			(28)			(29)
101	B6L201C35	7.24077	B6L201C36	0	B6L201C37	10.86115	B6L201C38	8.68892	B6L201C39	0				
102	B6L202C35	7.24077	B6L202C36	3.98242	B6L202C37	10.86115	B6L202C38	8.68892	B6L202C39	1.81019				
103	B6L203C35	7.24077	B6L203C36	3.98242	B6L203C37	10.86115	B6L203C38	8.68892	B6L203C39	1.81019				
104	B6L204C35	7.24077	B6L204C36	3.98242	B6L204C37	10.86115	B6L204C38	8.68892	B6L204C39	1.81019				
105	B6L205C35	7.24077	B6L205C36	3.98242	B6L205C37	10.86115	B6L205C38	8.68892	B6L205C39	1.81019				
106	B6L206C35	7.24077	B6L206C36	3.98242	B6L206C37	10.86115	B6L206C38	8.68892	B6L206C39	1.81019				
107	B6L207C35	7.24077	B6L207C36	3.98242	B6L207C37	10.86115	B6L207C38	8.68892	B6L207C39	1.81019				
108	B6L208C35	7.24077	B6L208C36	3.98242	B6L208C37	10.86115	B6L208C38	8.68892	B6L208C39	1.81019				
109	B6L209C35	7.24077	B6L209C36	3.98242	B6L209C37	10.86115	B6L209C38	8.68892	B6L209C39	1.81019				
110	B6L210C35	7.24077	B6L210C36	3.98242	B6L210C37	10.86115	B6L210C38	8.68892	B6L210C39	1.81019				
111	B6L211C35	7.24077	B6L211C36	3.98242	B6L211C37	10.86115	B6L211C38	8.68892	B6L211C39	1.81019				
112	B6L212C35	7.24077	B6L212C36	3.98242	B6L212C37	10.86115	B6L212C38	8.68892	B6L212C39	1.81019				
113	B6L213C35	7.24077	B6L213C36	3.98242	B6L213C37	10.86115	B6L213C38	8.68892	B6L213C39	1.81019				
114	B6L214C35	7.24077	B6L214C36	3.98242	B6L214C37	10.86115	B6L214C38	8.68892	B6L214C39	1.81019				
115	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX				
116	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX				
117	B6L215C35	7.24077	B6L215C36	3.98242	B6L215C37	10.86115	B6L215C38	8.68892	B6L215C39	1.81019				
118	B6L216C35	7.24077	B6L216C36	3.98242	B6L216C37	10.86115	B6L216C38	8.68892	B6L216C39	1.81019				
	B6L216C3	7.24077	B6L216C8	3.98242	B6L216C13	10.86115	B6L216C16	8.68892	B6L216C24	1.81019				
Annual URCS Process for Union Pacific Railroad Company														PAGE-434
ADJUSTMENT FACTORS														22-Sep-06
E2 PART 2 UNIT COST														

WORKTABLE E2 PART 2 ADJUSTMENT FACTORS

UNIT COST ADJUSTMENT FACTORS

OTHER ADJUSTMENT FACTORS

LINE	CODE	IDENTIFICATION	SOURCE	AMOUNT (1)
201	AMCH	AVERAGE DISTANCE PER CAR IN WAY TRAINS	B3L747C1	17.20026
202	A1802	AVERAGE TQUS PER FLAT CAR	A1L581C1	4.6
203	A1805	AVERAGE TARE WEIGHT - REFRIG - TRAILER/CONTAINER	A1L584C1	7.3
204	A1806	AVERAGE TARE WEIGHT - OTHER - TRAILER/CONTAINER	A1L585C1	5.1
205	A1803	LINEHAUL MILES PER TRAILER DAY	A1L582C1	478
206	A1804	TRAILER MILES PER OR EVENT	A1L583C1	3.645
207	A1801	L/E RATIO - REFRIG/OTHER - TRAILER/CONTAINER	A1L580C1	1.48
208	ALUW	AVERAGE LOCO UNITS PER UNIT TRAIN	B3L716C1	2.86322
209	ALUW	AVERAGE LOCO UNITS PER WAY TRAIN	B3L717C1	2.27741
210	ALUW	AVERAGE LOCO UNITS PER THROUGH TRAIN	B3L718C1	2.67445
211	AGTU	AVERAGE GROSS TONS - UNIT TRAIN	B3L735C1	9403
212	AGTW	AVERAGE GROSS TONS - WAY TRAIN	B3L736C1	2210
213	AGTT	AVERAGE GROSS TONS - THROUGH TRAIN	B3L737C1	5277
214	402	TOTAL ENGINE CREWS	D3L167C28/D3L167C31	697294
215	403	TOTAL TRAIN CREWS	D3L168C28/D3L168C31	500848
216		TOTAL CREW WAGES	L214 L215	1198143
217	TM(R)	TRAIN MILES - RUNNING	A1L104C1	167737
218		AVERAGE CREW WAGES (ASSIGNED TO TRAIN MILES-CREW)		
219		PER TRAIN MILE	L216 /L217	7.14298
220		GENERAL OVERHEAD RATIO	D8L612C1	1.08046
220		CONSTANT COST MARKUP RATIO	D8L617C1	1.32864

Indices

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PPI - Finished Goods less Food and Energy
Global Insight October 2007
Indexing URCS, R-1 and other costs

Quarter	Index	URCS	R-1
Annual 2005	1 563	2005	2006
Annual 2006	1 587		
2006-1	1 579		
2006-2	1 587		
2006-3	1 586		
2006-4	1 594		
Base Year	1 591	101.8%	100.3%
2007-1	1 607		
2007-2	1 613		
2007-3	1 625		
2007-4	1 638		
2008-1	1 655		
Forecast Year	1 669	106.8%	105.2%
2008-2	1 672		
2008-3	1 690		
2008-4	1 707		

Notes

- 1 Base Year index based on 1/3 1st qtr 2006 + 2nd qtr 2006 + 3rd qtr 2006 + 4th qtr 2006 + 2/3 1st qtr 2007) divided by 4
- 2 Forecast Year index is based on 2/3 4th qtr 2007 + 1st qtr 2008 + 2nd qtr 2008 + 3rd qtr 2008 + 1/3 4th qtr 2008) divided by 4

SERIES	TYPE	UNIT	SHORT LABEL	FREQUENCY	2005 Q1	2005 Q2	2005 Q3	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4
U.S. Macro - 30 Year Cyclic (1982=1.0)	Producer price index	Index	U.S. Macro - 30 Year Cyclic (1982=1.0)	Quarterly	1555	1561	1569	1568	1579	1587	1596	1594	1607	1613	1625	1638	1655	1672	1690	1707

PPI - Fuels - #2 Diesel Fuel
Global Insight November 2007
Indexing GMA 1982 Fuel Cost

<u>Monthly</u>	<u>Index</u>	<u>Base Year</u>
Annual 1982	100 0	
2006-2	196 2	
2006-3	206.5	
2006-4	230 4	
2006-5	239 6	
2006-6	246 9	
2006-7	237 5	
2006-8	250 2	
2006-9	201 3	
2006-10	197.5	
2006-11	197 2	
2006-12	203 0	
2007-1	180 9	
2007-2	193.5	2 154
2007-3	200 2	
2007-4	238.0	
2007-5	226 5	
2007-6	227 6	

Notes

1 Base Year index based on sum (2006 3 to 2007 2) divided by 12

0032



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Data extracted on: November 09, 2007 (04:21 PM)

PPI Commodity Data

Series Catalog:

Series ID : WPU057303

Not Seasonally Adjusted

Group : Fuels and related products and power

Item : #2 diesel fuel

Base Date : 8200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
1973		12.5	12.7	12.8	13.3	13.8	14.4	14.5	14.7	15.0	15.8	17.2	14.3
1974	19.8	23.4	24.9	26.1	27.6	28.9	30.2	30.4	31.0	30.4	29.7	30.0	27.7
1975	29.8	29.6	29.5	29.7	29.6	30.6	31.5	31.9	32.4	32.7	33.6	34.0	31.2
1976	33.9	34.2	34.0	33.7	33.4	33.5	33.7	34.0	34.5	34.6	34.9	35.3	34.1
1977	36.1	37.0	37.8	38.4	38.8	38.8	39.0	39.0	39.1	39.0	39.3	39.4	38.5
1978	39.7	39.8	39.5	39.4	39.4	39.3	39.3	39.4	39.5	40.0	40.4	41.3	39.7
1979	42.0	42.6	44.4	47.0	49.9	53.8	59.0	63.4	68.1	71.2	71.6	72.2	57.1
1980	74.6	80.1	84.5	86.5	87.3	86.5	87.9	88.7	88.5	88.1	88.1	89.2	85.8
1981	93.3	99.2	107.0	109.4	108.8	108.3	107.4	106.7	105.3	105.2	104.3	104.9	105.0
1982	105.2	105.1	103.2	97.0	92.9	95.4	99.8	99.9	98.4	98.3	101.3	103.4	100.0
1983	99.3	93.6	87.9	81.5	81.9	85.5	85.7	86.4	87.2	89.5	88.8	88.1	87.9
1984	86.7	89.2	92.3	86.8	85.8	86.9	87.7	84.8	82.8	83.6	85.2	84.2	86.3
1985	83.2	81.1	79.9	80.1	82.9	79.9	76.1	74.3	78.7	82.6	86.7	89.1	81.2
1986	81.9	63.7	49.5	49.5	45.6	43.7	36.1	38.1	45.2	42.0	42.6	44.8	48.6
1987	50.3	52.8	49.7	51.8	53.1	54.8	56.1	59.5	57.5	59.8	61.3	58.1	55.4
1988	54.6	51.5	50.3	53.5	54.5	51.0	47.2	46.9	46.8	42.6	47.1	50.4	49.7
1989	54.2	55.1	57.7	62.9	58.0	54.0	52.9	53.6	59.5	65.4	64.8	68.5	58.9
1990	84.6	59.8	60.7	60.8	58.6	54.0	52.2	72.9	88.4	105.6	100.0	91.0	74.1
1991	82.4	75.3	62.0	60.1	60.6	58.4	58.5	62.4	65.8	67.4	70.7	63.3	65.6

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1992	55.0	57.0	56.2	58.6	62.1	65.6	65.0	63.7	65.4	68.0	65.2	60.9	61.9
1993	60.6	60.3	63.1	63.2	63.4	61.6	57.7	55.2	60.8	66.5	63.0	51.2	60.5
1994	51.4	56.6	56.9	54.6	54.8	54.2	56.4	57.4	57.7	58.4	59.5	54.2	56.0
1995	54.0	53.1	55.0	58.2	59.4	56.8	53.7	56.0	58.5	58.8	59.7	60.2	57.0
1996	62.2	59.4	62.6	75.4	74.5	64.9	66.1	66.6	74.7	80.2	77.0	76.0	70.0
1997	73.2	73.1	66.5	66.1	63.6	61.0	57.7	62.1	61.3	64.7	65.8	58.9	64.5
1998	53.9	51.3	47.6	50.0	50.0	45.8	44.7	44.4	48.1	47.3	46.1	39.0	47.4
1999	40.2	38.1	43.2	53.1	53.0	53.5	59.8	65.6	68.8	67.5	71.9	72.7	57.3
2000	76.1	86.1	90.0	84.1	82.8	85.7	89.5	92.1	110.8	110.0	110.4	101.6	93.3
2001	96.7	92.4	83.5	86.4	93.1	90.2	81.6	82.0	91.6	75.9	71.3	56.2	83.4
2002	58.9	60.0	69.7	76.9	74.7	73.3	77.6	80.4	92.3	98.7	85.5	86.8	77.9
2003	97.6	123.8	129.4	102.3	87.9	89.8	92.7	96.6	91.1	101.1	95.9	98.1	100.5
2004	109.3	103.7	109.7	119.9	121.0	114.2	123.0	135.1	140.9	166.6	159.7	135.3	128.2
2005	141.1	149.5	173.3	175.4	170.8	187.2	189.8	200.6	212.6	264.1	206.2	198.5	189.1
2006	197.1	196.2	206.5	230.4	239.6	246.9	237.5	250.2	201.3	197.5	197.2	203.0	216.9
2007	180.9	193.5	220.2	238.0	226.5	227.6 (P)	243.5 (P)	235.4 (P)	246.2 (P)				

P : Preliminary. All indexes are subject to revision four months after original publication.

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Engineering Inflation Factors
Global Insight Forecast

	Period	Employment Cost	Intermediate Materials
History	2006 4	1 724	1 637
	2007 1	1 749	1 654
	2007 2	1 767	1 704
	2007 3	1 788	1 714
Forecast	2007 4	1 806	1 752
	2008 1	1 822	1 744
	2008 2	1 838	1 741
	2008 3	1 852	1 743
	2008 4	1 867	1 741
	2009 1	1 884	1 751

Source Global Insight (@globalinsight com) Inflation

		<u>Percent</u>	<u>Use</u>
Normalized Maintenance November 2007 to Forecast Year			
Labor	Average of Forecast Year/2007 4 (((2/3 of 2007 4)+2008 1+2008 2+2008 3+(1/3 of 2008:4)/4)/2007 4	101.58%	1.016
Material & Supplies	Average of Forecast Year/2007 4 (((2/3 of 2007 4)+2008.1+2008 2+2008 3+(1/3 of 2008:4)/4)/2007 4	99.55%	0.996

November 2007 Productivity and Costs												
	2006 3	2006 4	2007 1	2007 2	2007 3	2007 4	2008 1	2008 2	2008 3	2008 4	2009.1	
Index, Seasonally Adjusted												
Nonfarm Business Productivity & Costs (1992=1 000)												
Output per Hour	1 350	1 356	1 359	1 367	1 382	1 387	1 387	1 391	1 398	1 406	1 413	
Compensation per Hour	1 675	1 724	1 749	1 767	1 788	1 806	1 822	1 838	1 852	1 867	1 884	
Unit Labor Costs	1 240	1 271	1 287	1 292	1 294	1 303	1 314	1 321	1 325	1 329	1 333	
Manufacturing Output per Hour	1 798	1 807	1 815	1 823	1 842	1 853	1 861	1 874	1 897	1 919	1 939	
Durable Goods Industries	2 101	2 115	2 123	2 148	2 177	2 198	2 205	2 230	2 262	2 293	2 328	
Nondurable Goods Industries	1 516	1 520	1 524	1 519	1 531	1 527	1 535	1 545	1 561	1 572	1 579	
Employment Cost Index (Dec 2005=1 000)												
Total Compensation	1 025	1 033	1 039	1 048	1 056	1 064	1 073	1 080	1 088	1 095	1 103	
Wages	1 024	1 032	1 043	1 051	1 059	1 066	1 074	1 081	1 088	1 095	1 102	
Benefits	1 025	1 034	1 031	1 042	1 050	1 061	1 071	1 080	1 088	1 097	1 107	
Health Insurance	1 031	1 049	1 053	1 066	1 079	1 093	1 103	1 113	1 123	1 133	1 144	

November 2007
Prices and Wages

Indexes, SA

Employment Costs (Dec 2005=1 000)

Wages & Salaries
Benefits
Health Insurance

2006 3	2006 4	2007 1	2007 2	2007 3	2007 4	2008 1	2008 2	2008 3	2008 4	2009.1
1 025	1 033	1 039	1 048	1 056	1 064	1 073	1 080	1 088	1 095	1 103
1 024	1 032	1 043	1 051	1 059	1 066	1 074	1 081	1 088	1 095	1 102
1 025	1 034	1 031	1 042	1 050	1 061	1 071	1 080	1 088	1 097	1 107
1.031	1 049	1 053	1 066	1 079	1 093	1 103	1 113	1 123	1 133	1 144

Consumer Prices (1982-84=1 000)

All-Urban
Core (excl Food & Energy)
Commodities
Nonenergy Services
Food
Energy
Energy Commodities
Energy Services

2.032	2 022	2 041	2 071	2 080	2 102	2 106	2 110	2 117	2 123	2 132
2 069	2 078	2 090	2 100	2 113	2 125	2 136	2 145	2 154	2 163	2 173
1 410	1 403	1 403	1 399	1 400	1 400	1 401	1 402	1 405	1 408	1 411
2 460	2 481	2 501	2 520	2 541	2 561	2 577	2 590	2 603	2 615	2 629
1 958	1 969	1 994	2 019	2 042	2 064	2 079	2 086	2 093	2 098	2 104
2 060	1 852	1 922	2 120	2 084	2 182	2 120	2 082	2 075	2 055	2 067
2 434	2 015	2 099	2 486	2 439	2 621	2 467	2 366	2 341	2 300	2 291
1 802	1 798	1 857	1 874	1 847	1 860	1 895	1 921	1 933	1 934	1 969

Producer Prices, Stage of Processing (1982=1 000)

Finished Goods
Core (excl Food & Energy)
Food
Energy
Consumer Goods
Core Consumer Goods
Producer Goods
Intermediate Materials
Crude Materials

1 611	1 599	1 625	1 663	1 667	1 706	1 700	1 701	1 708	1 711	1 725
1 586	1 594	1 606	1 613	1 621	1 631	1 641	1 652	1 663	1 672	1 679
1 575	1 586	1 641	1 668	1 663	1 717	1 707	1 697	1 699	1 701	1 702
1 487	1 402	1 433	1 565	1 565	1 664	1 618	1 604	1 602	1 591	1 630
1 670	1 650	1 681	1 732	1 735	1 786	1 774	1 772	1 778	1 779	1 796
1 666	1 672	1 685	1 694	1 705	1 717	1 728	1 739	1 751	1 760	1 769
1 469	1 478	1 488	1 493	1 498	1 505	1 514	1 524	1 534	1 542	1 549
1 658	1 637	1 654	1 704	1 714	1 752	1 744	1 741	1 743	1 741	1 751
1 871	1 816	1 934	2 066	2 067	2 183	2 193	2 148	2 106	2 082	2 178

Base and Forecast Years Traffic Data

Traffic Statistics Base Year March 2006 to February 2007
 Cheska Industrial Lead, Memiam to Cheska, MN

Car Type	STOC	Origin City	Destination City	Off Jct/Road to On Jct/Road Fr	Tons	Revenue	Cars	On Branch Miles o/w	Off Branch Miles o/w	Total ONW On Branch Miles	Total ONW Off Branch Miles
Covered Hopper - Railroad											
Interchanged	2062110 Burlington WI	Chaska, MN	Chaska, MN	St Paul/MNRR	205	2,878	3	56	45	17	134
	2062110 Rubel, MN	Chaska, MN	Chaska, MN	Manneapolis/MNRR	35	3,992	1	56	45	6	45
					241	6,868	4			22	179
Covered Hopper - Private	2062110 Rincon, NM	Chaska, MN	Chaska, MN	S St Paul/BNSF	86	910	1	56	54	6	54
	2062110 Cotton CA	Chaska, MN	Chaska, MN	St Paul/BNSF	5	937	1	56	54	6	54
	2062110 Wayverly, IA	Chaska, MN	Chaska, MN	St Paul/BNSF	99	937	1	56	54	6	54
	2062110 Centraha, IL	Chaska, MN	Chaska, MN	St Paul/BNSF	24	930	1	56	54	6	54
	2062110 Garosburg IL	Chaska, MN	Chaska, MN	St Paul/BNSF	12	918	1	56	54	6	54
	2062110 Jacksonville IL	Chaska, MN	Chaska, MN	St Paul/BNSF	33	942	1	56	54	6	54
	2062110 Kansas City, KS	Chaska, MN	Chaska, MN	St Paul/BNSF	108	1,730	2	56	54	11	109
	2062110 Bingham, MN	Chaska, MN	Chaska, MN	St Paul/BNSF	5,383	51,310	54	56	54	302	2,932
	2062110 Breckenridge, MN	Chaska, MN	Chaska, MN	St Paul/BNSF	100	955	1	56	54	6	54
	2062110 Dilworth MN	Chaska, MN	Chaska, MN	St Paul/BNSF	37	937	1	56	54	6	54
	2062110 E Grand Forks, MN	Chaska, MN	Chaska, MN	St Paul/BNSF	17,247	171,091	177	56	54	991	9,611
	2062110 Northtown, MN	Chaska, MN	Chaska, MN	St Paul/BNSF	251	5,694	6	56	54	34	328
	2062110 Wiles MN	Chaska, MN	Chaska, MN	St Paul/BNSF	3,196	31,804	33	56	54	185	1,792
	2062110 N St Louis, MO	Chaska, MN	Chaska, MN	St Paul/BNSF	39	942	1	56	54	6	54
	2062110 Sidney MT	Chaska, MN	Chaska, MN	St Paul/BNSF	6,447	61,510	65	56	54	354	3,630
	2062110 Drayton, ND	Chaska, MN	Chaska, MN	St Paul/BNSF	10,358	102,595	106	56	54	594	5,756
	2062110 Redco ND	Chaska, MN	Chaska, MN	St Paul/BNSF	19,525	192,402	199	56	54	1,114	10,806
	2062110 Wahpeton, ND	Chaska, MN	Chaska, MN	St Paul/BNSF	3,958	39,272	41	56	54	230	2,228
	2062110 Ft Worth, TX	Chaska, MN	Chaska, MN	St Paul/BNSF	100	955	1	56	54	6	54
	2062110 Houston, TX	Chaska, MN	Chaska, MN	St Paul/BNSF	100	979	1	56	54	6	54
	2062110 Northtown MN	Chaska, MN	Chaska, MN	Manneapolis/BNSF	374	14,016	15	56	54	84	815
					67,478	681,886	709			3,970	38,499
Covered Hopper - Private Interchanged	2062110 Chicago, IL	Chaska, MN	Chaska, MN	Chicago/BRC	195	6,759	2	56	454	11	908
	2062110 Chicago, IL	Chaska, MN	Chaska, MN	Chicago/HB	192	3,322	2	56	454	11	908
	2062110 Cicero IL	Chaska, MN	Chaska, MN	Chicago/BRC	5	3,966	1	56	454	6	454
	2062110 Jacksonville IL	Chaska, MN	Chaska, MN	Chicago/NS	107	7,531	2	56	454	11	908
	2062110 Gary, IN	Chaska, MN	Chaska, MN	Chicago/BRC	100	3,437	1	56	454	6	454
	2062110 Belle Creek MI	Chaska, MN	Chaska, MN	Chicago/NS	25	3,322	1	56	454	6	454
	2062110 Cincinnati, OH	Chaska, MN	Chaska, MN	Chicago/NS	31	3,437	1	56	454	6	454
					655	31,374	10			56	4,539
					68,374	720,128	723			4,049	43,217
Covered Hopper - Private Interchanged	2062110 Brigham MN	Chaska, MN	Chaska, MN	St Paul/BNSF	294	2,892	3	56	54	17	163
	2062110 E Grand Forks, MN	Chaska, MN	Chaska, MN	St Paul/BNSF	940	9,554	10	56	54	56	543
	2062110 Sidney, MT	Chaska, MN	Chaska, MN	St Paul/BNSF	296	2,814	3	56	54	17	163
	2062110 Drayton ND	Chaska, MN	Chaska, MN	St Paul/BNSF	492	4,718	5	56	54	28	272
	2062110 Redco, ND	Chaska, MN	Chaska, MN	St Paul/BNSF	1,177	11,729	12	56	54	67	652
	2062110 Wahpeton ND	Chaska, MN	Chaska, MN	St Paul/BNSF	296	4,315	3	56	54	17	163
					3,535	36,082	36			202	1,955
					99	1,551	1	56	171	56	171
Covered Hopper - Railroad Local	2062110 Mason City IA	Chaska, MN	Chaska, MN	Chaska, MN	99	3,680	1	56	515	56	515
	2062110 Marysville, KS	Chaska, MN	Chaska, MN	Chaska, MN	99	3,748	1	56	580	56	580
	2062110 North Platte NE	Chaska, MN	Chaska, MN	Chaska, MN	100	3,753	1	56	342	56	342
	2062110 Woody, NE	Chaska, MN	Chaska, MN	Chaska, MN	99	5,210	1	56	1,014	56	1,014
					498	17,942	5			28	2,622
					72,405	774,152	764			4,278	47,784

Total

Traffic Statistics Forecast Year December 2007 to November 2008
 Chaska Industrial Lead, Netman to Chaska, MN

Car Type	STCC	Orign City	Description City	Off Jct/Road to On Jct/Road Fr	Tons	Revenue	Cars	On Branch Miles o/w	Off Branch Miles o/w	Total O/W On Branch Miles	Total O/W Off Branch Miles
Covered Hopper - Railroad											
Interchanged											
	2002110	Burlington WI	Chaska, MN	St Paul/MNRR	205	3,348	3	5.6	45	17	134
	2002110	Ruebel, MN	Chaska, MN	Minneapolis/MNRR	38	4,847	1	6.0	45	6	45
					241	7,095	4		22		178
	2002110	Recon, NM	Chaska, MN	S St Paul/BNSF	86	1,059	1	5.6	54	6	54
	2002110	Colton, CA	Chaska, MN	St Paul/BNSF	6	1,149	1	6.0	54	6	54
	2002110	Wayen, IA	Chaska, MN	St Paul/BNSF	90	1,149	1	5.6	54	6	54
	2002110	Centella, IL	Chaska, MN	St Paul/BNSF	24	1,083	1	5.6	64	6	64
	2002110	Galesburg, IL	Chaska, MN	St Paul/BNSF	12	1,059	1	5.6	54	6	54
	2002110	Jacksonville, IL	Chaska, MN	St Paul/BNSF	33	1,097	1	5.6	54	6	54
	2002110	Kansas City KS	Chaska, MN	St Paul/BNSF	108	2,014	2	5.6	54	11	100
	2002110	Bingham, MN	Chaska, MN	St Paul/BNSF	5,383	59,732	64	5.6	302	302	2,932
	2002110	Brackendale MN	Chaska, MN	St Paul/BNSF	100	1,112	1	5.6	54	6	54
	2002110	Dhworth, MN	Chaska, MN	St Paul/BNSF	37	1,149	1	5.6	54	6	54
	2002110	E Grand Forks, NB	Chaska, MN	St Paul/BNSF	17,247	198,172	177	5.6	54	991	9,611
	2002110	Northtown, MN	Chaska, MN	St Paul/BNSF	251	0,029	6	5.6	54	34	320
	2002110	Wada, MN	Chaska, MN	St Paul/BNSF	3,106	37,024	33	5.6	54	185	1,792
	2002110	N St Louis MO	Chaska, MN	St Paul/BNSF	30	1,097	1	5.6	54	6	54
	2002110	Sidney, MT	Chaska, MN	St Paul/BNSF	0,447	71,808	85	5.6	54	354	3,530
	2002110	Dayton, ND	Chaska, MN	St Paul/BNSF	10,369	119,399	108	5.6	54	594	5,758
	2002110	Redco, ND	Chaska, MN	St Paul/BNSF	19,535	223,981	199	5.6	54	1,114	10,808
	2002110	Wahpeton, ND	Chaska, MN	St Paul/BNSF	3,850	45,718	41	6.0	54	230	2,220
	2002110	Fl Worth TX	Chaska, MN	St Paul/BNSF	100	1,112	1	5.6	54	6	54
	2002110	Houston TX	Chaska, MN	St Paul/BNSF	374	1,140	1	5.6	54	6	54
	2002110	Northtown, MN	Chaska, MN	Minneapolis/BNSF	67,478	793,804	709	5.6	54	84	815
									3,970		38,468
	2002110	Chicago, IL	Chaska, MN	Chicago/BRC	195	7,888	2	5.6	454	11	908
	2002110	Chicago, IL	Chaska, MN	Chicago/HB	162	3,897	2	5.6	454	11	908
	2002110	Coano, IL	Chaska, MN	Chicago/BRC	6	4,151	1	5.6	454	6	454
	2002110	Jacksonville, IL	Chaska, MN	Chicago/NS	107	8,787	2	5.6	454	11	908
	2002110	Gary IN	Chaska, MN	Chicago/BRC	100	4,001	1	5.6	454	6	454
	2002110	Balle Creek, NB	Chaska, MN	Chicago/NS	28	3,887	1	5.6	454	6	454
	2002110	Cincinnati OH	Chaska, MN	Chicago/NS	31	4,001	1	5.6	454	6	454
					658	38,523	10		58		4,530
					68,374	838,323	723		4,049		43,217
Covered Hopper - Private											
Interchanged											
	2002110	Bingham, MN	Chaska, MN	St Paul/BNSF	294	3,397	3	5.6	54	17	183
	2002110	E Grand Forks, NB	Chaska, MN	St Paul/BNSF	980	11,122	10	5.6	54	56	543
	2002110	Sidney, MT	Chaska, MN	St Paul/BNSF	208	3,278	3	5.6	54	17	183
	2002110	Dayton, ND	Chaska, MN	St Paul/BNSF	492	6,662	5	5.6	54	26	272
	2002110	Redco, ND	Chaska, MN	St Paul/BNSF	1,177	13,854	12	5.6	54	67	652
	2002110	Wahpeton, ND	Chaska, MN	St Paul/BNSF	298	5,023	3	5.6	54	17	183
					3,536	42,004	38		202		1,855
Covered Hopper - Railroad											
Local											
	2002110	Mason City IA	Chaska, MN		99	1,806	1	5.6	171	6	171
	2002110	Maryville, KS	Chaska, MN		99	4,284	1	5.6	516	6	515
	2002110	North Platte NE	Chaska, MN		99	4,393	1	5.6	580	6	580
	2002110	Woody, NE	Chaska, MN		100	4,399	1	5.6	342	6	342
	2002110	Fl Worth, TX	Chaska, MN		99	6,095	1	5.6	1,014	6	1,014
					496	20,887	5		28		2,822
Forecast Year Total											
					72,405	901,214	784		4,278		47,764

Forecast Year Revenue includes 11.4% increase per April 2007 and a 4.5% increase on November 1, 2007

EPM260 ROUTE TRACE BACK - STATION 3-3-3 PAGE 01 LAST

SHORTEST ROUTE BETWEEN PROVISO IL AND MERRIAM MN FOR NODE PATH
MILEAGE = 453.93

STATION	STATION	STATION	STATION	STATION	STATION
PROVISO	-IL DEVAL	-IL VALLEY	-IL KOTOWER	-IL LAKBLUFF	-IL STFRANCIS-WI
BELTON	-WI BUTLER	-WI NLAKE	-WI CLYJCT	-WI ADAMS	-WI NECEDAH -WI
WYEVILLE	-WI ALTOONA	-WI EAUCLAIRE-WI	YUKJCT	-WI MENJCT	-WI LAKJCT -MN
STPAUL	-MN HOFSTPAUL-MN	VALPARK	-MN MERRIAM	-MN	

NEXT REQUEST	CODE	ACTION
EPM00133: INQUIRY PROCESS COMPLETED		

EPM260 ROUTE TRACE BACK - STATION 3-3-3 PAGE 01 LAST

SHORTEST ROUTE BETWEEN STPAUL MN AND MERRIAM MN FOR NODE PATH
MILEAGE = 44.80

STATION	STATION	STATION	STATION	STATION	STATION
STPAUL	-MN HOFSTPAUL-MN	SSTPAUL	-MN HOFSTPAUL-MN	VALPARK	-MN MERRIAM -MN

NEXT REQUEST	CODE	ACTION
EPM00133: INQUIRY PROCESS COMPLETED		

EPM260 ROUTE TRACE BACK - STATION 3-3-3 PAGE 01 LAST

SHORTEST ROUTE BETWEEN MINNEAPOLMN AND MERRIAM MN FOR NODE PATH
MILEAGE = 54.30

STATION	STATION	STATION	STATION	STATION	STATION
MINNEAPOL-MN	EMINNEAPO-MN	MINTFR -MN	STPAUL -MN	HOFSTPAUL-MN	SSTPAUL -MN
HOFSTPAUL-MN	VALPARK -MN	MERRIAM -MN			

NEXT REQUEST	CODE	ACTION
EPM00133: INQUIRY PROCESS COMPLETED		

EPM254

MILEAGE INQUIRY

FROM CIRC-7 ==> DM136 OR (3-3-3) ==> MASCITY - IA

TO CIRC-7 ==> SX032 OR (3-3-3) ==> MERRIAM - MN

INQUIRY TYPE ==> M
 'M' - MILEAGE ONLY
 'S' - STATION PATH
 'N' - NODE PATH

STATION 3-3-3 ==> N STATION CITY STATE FORMAT (Y/N)

ROUTE VIA STATIONS ==> N (Y/N)

MINIMUM MILEAGE IS 171.30 MILES

NEXT REQUEST	CODE	ACTION
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EPM254 MILEAGE INQUIRY

FROM CIRC-7 ==> KX148 OR (3-3-3) ==> MARYSVILL - KS

TO CIRC-7 ==> SX032 OR (3-3-3) ==> MERRIAM - MN

INQUIRY TYPE ==> M
'M' - MILEAGE ONLY
'S' - STATION PATH
'N' - NODE PATH

STATION 3-3-3 ==> N STATION CITY STATE FORMAT (Y/N)

ROUTE VIA STATIONS ==> N (Y/N)

MINIMUM MILEAGE IS 515.49 MILES

NEXT REQUEST	CODE	ACTION
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EPM254

MILEAGE INQUIRY

FROM CIRC-7 ==> NX284 OR (3-3-3) ==> NPLATTE - NE

TO CIRC-7 ==> SX032 OR (3-3-3) ==> MERRIAM - MN

INQUIRY TYPE ==> M 'M' - MILEAGE ONLY
'S' - STATION PATH
'N' - NODE PATH

STATION 3-3-3 ==> N STATION CITY STATE FORMAT (Y/N)

ROUTE VIA STATIONS ==> N (Y/N)

MINIMUM MILEAGE IS 580.09 MILES

NEXT REQUEST

CODE

ACTION

EPM254

MILEAGE INQUIRY

FROM CIRC-7 ==> NX011 OR (3-3-3) ==> WOODY - NE

TO CIRC-7 ==> SX032 OR (3-3-3) ==> MERRIAM - MN

INQUIRY TYPE ==> M 'M' - MILEAGE ONLY

'S' - STATION PATH

'N' - NODE PATH

STATION 3-3-3 ==> N STATION CITY STATE FORMAT (Y/N)

ROUTE VIA STATIONS ==> N (Y/N)

MINIMUM MILEAGE IS 341.87 MILES

NEXT REQUEST

CODE

ACTION

EPM254

MILEAGE INQUIRY

FROM CIRC-7 ===> TP250 OR (3-3-3) ===> FTWORTH - TX

TO CIRC-7 ===> SX032 OR (3-3-3) ===> MERRIAM - MN

INQUIRY TYPE ===> M 'M' - MILEAGE ONLY
'S' - STATION PATH
'N' - NODE PATH

STATION 3-3-3 ===> N STATION CITY STATE FORMAT (Y/N)

ROUTE VIA STATIONS ===> N (Y/N)

MINIMUM MILEAGE IS 1014.45 MILES

NEXT REQUEST

CODE

ACTION

On-Branch Local Train Operations and Statistics

Base Year - Chaska Industrial Lead, Mernam to Chaska, MN

Number Of Cars	Destination/ Origin	Miles On Branch	Number of Trips
764	Chaska, MN	5 60	154
<u>764</u>			

Train Miles	154 trips to Chaska (154*5 6*2)	1,725
Train Hours	4 hours per RT x 154 trips	616

Crew Wages	Overtime + Recrews	\$ 46,537
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Forecast Year - Chaska Industrial Lead, Memam to Chaska, MN

Number Of Cars	Destination/ Origin	Miles On Branch	Number of Trips
764	Chaska, MN	5.60	154
<hr/> 764			

Train Miles	154 trips to Chaska (154*5.6*2)	1,725
Train Hours	4 hours per RT x 154 trips	616

Crew Wages	Overtime + Recrews	\$46,537
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LTU23

NEW PRAGUE, MN TO NEW PRAGUE, MN

TRAIN: LTU23 NEW PRAGUE, MN TO NEW PRAGUE, MN

 EFFECTIVE: 06/29/07 OPERATES: MO-TU-WE-TH-FR

 TYPE: L-Local/Traveling Switch/Dodger CATEGORY: J-Zone Local/TSE

 POWER REQUIREMENT: NO-1 ** AX-4 ** HP-2000

 POWER SHARES.

 MANAGER/PHONE: ANDREW TENNESSEN/386-7031 SERVICE UNIT 1

 NUMB WO=NO * ATCS=YES * PSEUDO=NO * SEQ CHECK=NO * RCL=NO * IMT=NO

 TAP=YES

 1000 MI INSPECTIONS:

 1500 MI INSPECTIONS:

 CONNECTION FROM CONNECTION TO

				ARRV	DEPT	CREW	CREW	TERM	ROAD	
				STN	STN	ON	TIME	TIME	TIME	CREW
						DUTY	HR:MI	HR:MI	HR:MI	MILES
--- DAY 0 ---										
OR-STA	NEWPRAGUE	MN	(SG015)		1000A	500A				
WK-STA	MERRIAM	MN	(SX032)	1200P	1230P			0 30	2:00	
WK-STA	CHASKA	MN	(SH005)	100P	100P			0.00	0.30	
WK-STA	MERRIAM	MN	(SX032)	230P	300P			0:30	1:30	
TM-STA	NEWPRAGUE	MN	(SG015)	400P			11:00		1:00	N/A
*****				*****	*****	*****	*****	*****	*****	*****
TOTALS.						CR=1		1.00	5:00	N/A

WORK:

NEWPRAGUE MN (SG015) OR-EOT (REAR END)
 OR-MRIM (Merriam)
 OR-INDU (Industry)
 OR-NPRG (New Prague)
 Connection Standards for LTU23 (ETD 1000A MTWTF)
 Yblk MRIM * cutoff 800A M_W_F *depart same day
 Yblk NPRG * cutoff 800A MTWTF *depart same day
 Yblk SUGR * cutoff 800A M_W_F *depart same day
 Yblk L23P * cutoff 800A M_W_F *depart same day
 Yblk CNAG * cutoff 800A MTWTF *depart same day
 Yblk LU23 * cutoff 800A MTWTF *depart same day
 Yblk GIAP * cutoff 800A MT_T_ *depart same day

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Yblk GIAN          * cutoff  800A  _MT_T_  *depart same day
-----
MERRIAM  MN  (SX032)  PU-NPRG  (New Prague      ) FROM YARD
                   PU-INDU  (Industry        ) FROM YARD
    Connection Standards for LTU23  (ETD 1230P  _MTWTF_ )
    Default          * cutoff  800A  _M_W_F_  *depart same day
-----
CHASKA   MN  (SH005)  PU-MRIM  (Merriam       ) FROM YARD
                   PU-NPRG  (New Prague      ) FROM YARD
                   PU-INDU  (Industry        ) FROM YARD
    Connection Standards for LTU23  (ETD 100P   _MTWTF_ )
    Default          * cutoff  800A  _M_W_F_  *depart same day
-----
MERRIAM  MN  (SX032)  SO-MRIM  (Merriam       ) FOR  YARD
-----
NEWPRAGUE MN  (SG015)  SO-NPRG  (New Prague      ) FOR  YARD
*****

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REMARKS:

REVISED: 10/26/2007 10:54:47 AM

Normalized M of W and Rehabilitation Cost

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M P 33 00 to 38 60
M P 0 00 to 0 00

Equation

5 60

0051

ESTIMATED ANNUAL MAINTENANCE COST PER MILE FOR THE SEGMENT OF THE
between M P 33.00 and M.P 36 60

CLASS 1 STANDARD

ROADWAY MAINTENANCE	QUANT.	UNIT	COST/UNIT	CYCLE OR LIFE	AVE COST PER MILE	FORECAST YEAR % DRI RATE	THE FORECAST TOTAL
PROGRAMMED TRACK MAINTENANCE:							
Replace Ties 270/mi ea 8 yrs	270	per mile					
Cross Ties 7 x 9 x 8' & Spikes	1,512	Each	\$38 50	8 yrs	\$1,299	0 996	\$1,294
Switch Ties (20% replacement)	214	Each	\$56 00	8 yrs	\$268	0 996	\$267
Replace cross ties	1 26	Days	\$22,500	8 yrs	\$633	1 016	\$643
Replace switch ties	10 70	Days	\$1,500	8 yrs	\$358	1 016	\$364
Company Service	725	Crew/Miles	\$9 00	8 yrs	\$146	1 016	\$148
Work Train Service	0 43	Days	\$1,000 00	8 yrs	\$10	1 016	\$10
Unload ties (Contract)	1,726	Each	\$0 50	8 yrs	\$19	1 016	\$19
Pick up & dispose of scrap ties (Contract)	1,726	Each	\$1 50	8 yrs	\$58	1 016	\$59
MSE	0 80	%			\$13		\$12
Sales Tax	4 00	%			\$63		\$62
					\$2 867		\$2,878
Surface and Line Track							
Ballast (5 cars/mile)	2,800	Ton	\$6 50	8 yrs	\$406	0 996	\$404
Unload Ballast	1	Days	\$2,000	8 yrs	\$50	1 016	\$51
Surface & Line Track	2	Days	\$10,000	8 yrs	\$417	1 016	\$424
Company Service	730	Crew/Miles	\$9 00	8 yrs	\$147	1 016	\$149
Work Train	1	Days	\$1,000 00	8 yrs	\$25	1 016	\$25
Sales Tax	4 00	%			\$16		\$16
					\$1,061		\$1,070
Road Crossings (5 Ea)							
Prefab crossings	40	Ft	\$70 00	15 yrs	\$33	0 996	\$33
Asphalt Crossings	40	Ft	\$85 00	15 yrs	\$40	0 996	\$40
Concrete Crossings	54	Ft	\$110 00	15 yrs	\$71	0 996	\$71
Gravel Crossing	72	Ft	\$10 00	20 yrs	\$6	0 996	\$6
Replace Road crossing material	17	Days	\$1,200	15 yrs	\$245	1 016	\$249
Flashing Lights	1	Pair	\$60,000	30 yrs	\$357	0 996	\$356
Install Flashing Lights	1	Pair	\$32,000	30 yrs	\$190	1 016	\$193
Crossbuck Signs	6	Each	\$110 00	20 yrs	\$6	0 996	\$6
Install Crossing Signs(X-bucks)	6	Each	\$70	20 yrs	\$4	1 016	\$4
Whistle Posts	7	Each	\$16 00	20 yrs	\$1	0 996	\$1
Install Whistle Post Signs	7	Each	\$70	20 yrs	\$4	1 016	\$4
MSE	0 80	%			\$1		\$1
Sales Tax	4 00	%			\$5		\$5
					\$963		\$968

0052

NON-PROGRAM TRACK MAINTENANCE:	COST	UNIT	QUANTITY	AVE. COST PER MILE	FORECAST YEAR % DRI RATE	THE FORECAST TOTAL
3 man Section Gang (Foreman & 2 Section:	\$750	/Day	9	\$1,255	1 016	\$1 275
Track Inspector (Inspect Weekly) (40 miles/	\$350	/Day	7	\$455	1 016	\$462
Signal Maintenance - Crossing Protection-L:	\$1 600	/Each	0	\$0	1 016	\$0
Signal Material	\$400	/Each	0	\$0	0 996	\$0
Rail Replacement 1 rail/3 miles	\$6 00	/LF	73	\$78	0 996	\$78
Vegetation Control	\$355 00	/Mile	6	\$355	1 016	\$361
Bndge Inspection	\$0 70	/LF	0	\$0	1 016	\$0
Bndge Maintenance	\$4 50	/LF	0	\$0	1 016	\$0
Bndge Material	\$4 50	/LF	0	\$0	1 016	\$0
MSE			0 80 %	\$1		\$1
Sales Tax			4 00 %	\$3		\$3
				<u>\$2,147</u>		<u>\$2,180</u>

NORMALIZED MAINTENANCE COST PER MILE PER YEA' = \$7,038 \$7,095

11/14/2007

TOTAL NORMALIZED MAINTENANCE COST PER YEAR = \$39,413 \$39 734

CHASKA INDUSTRIAL LEAD										
Scope of bridge work and cost estimate to put the line back in service (Data as of 10/16/07)*										
STRC. NBR	STRUC. TYPE	YEAR BILT	TOTAL LGTH	GENL. DESC.	OVER/ UNDER	Major deficiencies and scope of work	Action needed	Units	Unit Price, \$	Estim. Cost, \$
33 72	BRIDGE	1956	54 26	(4)TSTOOD-54 [INDL]	Drainage	Weakened Bent #3 three-ply stringer chords decayed backwall 5 bad ties The age of the bridge is close to the end of useful life of a typical timber bridge	Repair the bridge	1	80,000	80,000
34 25	BRIDGE	1956	66 55	(5)TSTOOD-67 [INDL]	Creek	Defective bracing in Bents 3-5, footwalk loose, debris accumulating 12 bad ties The age of the bridge is close to the end of useful life of a typical timber bridge The surrounding terrain was re-configured during road construction and there is no creek anymore (only big depression that collects water and causes decay) After confirming by H&H study the bridge could be removed/disposed and the hole filled at a total cost of \$135K	Repair the bridge, plan for its removal	1	27,000	27,000
34 75	BRIDGE	1980	50	(1)TPG-50 [INDL]	Chaska Sp-Rwy	Bridge is in relatively good condition	Monitor the bridge	1	0	0
35 08	CULVERT	1988	60	1-CMP 4' x 60'-(14') [INDL]		Scour on left side and 5' drop	Repair the culvert area	1	2,000	2,000
35 27	CULVERT	1988	40	1-CMP 6' x 40'-(8') [INDL]		Barrel silted	Clean the culvert	1	1,000	1,000
36 17	BRIDGE	1900	814 48	See the Individual Segments below	Minnesota River	This bridge consists of five distinct Segments (A, B, C, D, and E) For deterioration and scope of work and cost estimate see the Individual Segments	See the Individual Segments	1	0	0
36 17	BRIDGE	1900	814 48	(2)TSTOOD-20	Minnesota River	Segment A The age of the Segment is well beyond the useful life of a typical timber bridge Only three-ply stringers, deficient pile, missing part of backwall 3 bad ties Fall restraint needed	Replace Segment A	-28	5,000	130,000
36 17	BRIDGE	1900	814 48	(1)BMOD-32	Minnesota River	Segment B Corroded upper flange of beams, old bridge (close to the end of useful life of a typical steel bridge) Fall restraint needed	Repair Segment B	1	40,000	40,000
36 17	BRIDGE	1900	814 48	(11)TSTOOD-143	Minnesota River	Segment C The age of the Segment is well beyond the useful life of a typical timber bridge Only three-ply stringers, deficient bracing in Bents 10&11 bad caps in Bents 8,9&10, corroded condition of Bents 4&5 Fall restraint needed	Replace Segment C	143	5,500	786,500
36 17	BRIDGE	1900	814 48	(6)DPGOD-411	Minnesota River	Segment D Badly misaligned track (both horizontally and vertically), shifted and settled Pier D5, deteriorated stone and concrete piers, scour (aspec. around Piers D5, D6, D7), corrosion of deck plate girders 14 bad ties, deteriorated bearing shims, needed underwater inspection Fall restraint needed Old, close to the end of useful life of a typical steel bridge	Major rehabilitation of Segment D is needed	1	1,300,000	1,300,000
36 17	BRIDGE	1900	814 48	(15)TSTOOD-202 [INDL]	Minnesota River	Segment E The age of the Segment is well beyond the useful life of a typical timber bridge Only three-ply stringers bad caps in Bents 3,6,8,11 12,13, bad piles in Bents 2,3,5 16 framed Bent 1 bad X-bracing in Bent 2, few bad ties, debris pushing against pile supports and breaking them Fall restraint needed	Replace Segment E	202	6,000	1,212,000
36 77	BRIDGE	1954	529 43	(36)TSTOOD-529 [INDL]	Drainage	Deteriorated ineffective X-bracing in 34 bents Bad piles in 10 bents Bad cap in Bent 29 Five bad ties Union covered condition of Bent 40 Fall restraint needed The age of bridge is close to the end of useful life of a typical timber bridge	Repair the bridge	1	160,000	160,000
37 14	BRIDGE	1947	130 06	(10)TSTOOD-196 [INDL]	Drainage	The 1947 bridge was washed away completely There is no more bridge at this location	Build a new bridge	130	6,000	816,000
37 38	BRIDGE	1956	164 46	(12)TSTOOD-164 [INDL]	Drainage	Sixty bad ties (36% of total) Only three-ply stringers Bad caps in Bents 5 and 7 Bad pile in Bent 13 Bad X-bracing in Bent 5 The age of the bridge is close to the end of useful life of a typical timber bridge	Repair the bridge	1	225,000	225,000
Total							All	All	All	4,759,500
Contingency (~5%) for unknowns, underwater inspection, scour extent, engineering, etc.										240,500
Grand Total for up-front, bridge restoration work, \$ =										5,000,000
Subsequent Annual Bridge Maintenance Costs		After performing the above listed, up-front work to bring the line back to service, the subsequent Annual Bridge Maintenance Cost is expected to be within \$5,000 (five thousand US dollars) per year (for drift/debris removal, inspections, replacement of worn structural components, walkway, ties, etc.)								
Track	5.2 miles	The rail on the Lead is 112 lb and 115 lb jointed If not deteriorated/worn excessively it should be sufficient for current use by standard cars of 266,000 lbs gross weight However there may be some other track work required between bridges, e.g replacement of ties weeds removal bad track condition culverts that are plugged or collapsing etc. The scope of such track work and its actual cost should be obtained from the Track Department								
* NOTES										
- If this spreadsheet is used as a later form, always verify the data listed above with the latest Bridge Book										
- For details of deficiencies and their exact location and severity, see the Bridge Book Inspection records										
- This scope of work and cost estimate is not intended as a substitute of design required for field work										
- As in any rehabilitation work, the final scope of work and cost estimate may significantly vary, a bigger up-front investment should reduce the current and future risks and maintenance needs Presented here is what is believed to be an optimal balance										
- The final cost may easily be 20% higher or lower, depending on some unknowns and how much work is done up-front										
- Based on past satisfactory performance the unknown M-conditions are assumed as barely adequate for current traffic										
However, since they can worsen over time some 3-contingency is added Make a reasonable effort to determine their condition whenever it is feasible (e.g., inspect in dry season or low water uncover, etc.), and repair/remedy them accordingly										

0054

**Estimate for Track Upgrade Chaska Ind. Lead
5.54 Miles between MP 33.0 and MP 38.54**

Requiered	Unit	Cost	Class 1	Class 1
			Qty	Total
Ties	Ea	\$105.00	3000	\$315,000.00
Ballast	Car	\$2,000.00	50	\$100,000.00
Switch Ties	Ea.	\$150.00	200	\$30,000.00
Road Crossings	Ft	\$950.00	520	\$494,000.00
Total Amount				<u>\$939,000.00</u>

2006 Cost of Capital

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UNION PACIFIC RAILROAD 2006 COST OF CAPITAL

	<u>Nominal Cost</u>	<u>GDP Deflator</u>	<u>Real Cost</u>	<u>Pre-Tax Adjustment</u>	<u>Pre-Tax Cost</u>	<u>Capital Structure</u>	<u>Weighted Cost</u>	
Preferred Equity	0	1.029	0.0%	63.0%	0.0%	0.00%	0.00%	
Common Equity	1.1518	1.029	11.9%	63.0%	18.9%	69.59%	13.18%	
Debt	1.0536	1.029	2.4%		2.4%	30.41%	0.73%	
								Real Cost of Capital
								13.9%
Preferred Equity	0		0.0%	63.0%	0.0%	0.00%	0.00%	
Common Equity	1.1518		15.2%	63.0%	24.1%	69.59%	16.77%	
Debt	1.0536		5.4%		5.4%	30.41%	1.63%	
								Nominal Cost of Capital
								18.4%
								Deflator (Nominal - Real)
								4.49%

The 2.9% Gross Domestic Product (GDP) price deflator is based on an index of 116.034 for 2006 and 112.737 for 2005, as drawn from Table 1.1.9 of the February, 2007 SURVEY OF CURRENT BUSINESS.

Cost of Capital drawn from September 15, 2006 STB decision, served September 20, 2006

A combined Federal and State Tax rate of 37% was used

2006 Car Hire Receivable and Payable

2006 Union Pacific Car Hire Receivable

0056

AARFCd	Hours	Days
B204	24	1
Total Plain Box Car - 40ft	24	1
B314	3,864	161
B357	1,260	53
B404	12,923	538
B414	17,003	708
B417	6,612	276
B457	9,368	390
B477	2,010	84
B604	629	26
B617	4,251	177
B624	1,575	66
B634	1,568	65
B637	29,477	1,228
B674	1,372	57
Total Plain Box Car >50ft	91,912	3,830
A100	12,417	517
A123	2,210	92
A232	495,352	20,640
A235	7,129	297
A302	2,655,605	110,650
A305	406	17
A332	8,760	365
A400	831	35
A402	2,905,115	121,046
A403	9,082,984	378,458
A405	224,562	9,357
A406	2,013,019	83,876
A407	1,084,238	45,177
A416	48,367	2,015
A427	2,781	116
A432	187,988	7,833
A433	249,110	10,380
A435	150,410	6,267
A436	296,074	12,336
A437	2,705	113
A446	269,294	11,221
A483	648	27
A601	6,890	287
A602	1,414,589	58,941
A603	4,235,347	176,473
A605	5,719	238
A606	2,396,026	99,834
A607	621,713	25,905
A626	44	2
A632	99,258	4,136
A633	540,314	22,513
A635	35,728	1,489
A636	4,289,962	178,748

AAR Cd	Hours	Days
A645	84,777	3,532
A646	5,697	237
A800	70,427	2,934
A803	6,002	250
A806	4,434,352	184,765
A836	244,740	10,198
	<u>38,191,590</u>	<u>1,591,316</u>
G412	3,831	160
G415	57,231	2,385
G510	4,291	179
G512	35,917	1,497
G514	42,858	1,786
G515	36,992	1,541
G516	37,347	1,556
G517	462	19
G519	7,612	317
G530	152	6
G531	1,197	50
G534	48	2
G535	1,534	64
G537	2,037	85
G547	472	20
G621	6,227	259
G636	2,145	89
G715	6,606	275
G719	433,867	18,078
G736	7,830	326
G742	2,415	101
J301	104,543	4,356
J311	1,242,126	51,755
Total Plain Gondola Cars	<u>2,037,740</u>	<u>84,906</u>
E131	181,967	7,582
E141	8,760	365
E231	8,760	365
E240	689	29
E241	1,166,590	48,608
E330	5,324	222
E431	50,548	2,106
E440	1,379,066	57,461
E441	113,775	4,741
E507	1,212,227	50,509
E520	2,048	85
E524	1,090	45
E530	2,949,752	122,906
E531	1,275,691	53,154
E534	6,578,865	274,119
E540	191,630	7,985
E541	62,475	2,603
E544	1,838	77

AAR Cd	Hours	Days
E600	58	2
E630	77,539	3,231
E640	57,935	2,414
E730	3,257,908	135,746
E735	259,218	10,801
E830	30,091	1,254
Total Equipper Gondola Cars	18,873,844	786,410
C111	4,761,980	198,416
C112	5,262,206	219,259
C113	33,989,057	1,416,211
C114	8,137,724	339,072
C311	34,004	1,417
C312	442	18
C313	5,836,731	243,197
C314	4,465,588	186,066
C413	818,745	34,114
C414	21,613	901
C513	7,518	313
Total Covered Hopper Cars	63,335,608	2,638,984
H150	6,841	285
H230	1,840	77
H240	38	2
H250	14,519	605
H330	38	2
H340	1,830,378	76,266
H350	12,048,907	502,038
H351	9,052,573	377,191
H352	10,924	455
Total Open Top Hopper Cars - GS	22,966,058	956,919
J300	844,091	35,170
K147	8,655	361
K247	1,454,179	60,591
K340	5,082	212
K341	1,399,444	58,310
K345	3,508	146
K347	15,181	633
Total Open Top Hopper Cars - SS	3,730,140	155,423
R460	10,743	448
R470	12,793,193	533,050
R660	3,581,264	149,219
R661	49,987	2,083
R690	8,578	357
Total Refrigerator Cars - Mech	16,443,765	685,157
R400	596,956	24,873
R403	286	12
R410	5,894,953	245,623

AAR Cd	Hours	Days
R600	29,779	1,241
R610	1,800,469	75,020
Total Refrigerator Cars - Non Mech	8,322,443	346,768
P434	17,520	730
S162	73,117	3,047
S170	98,202	4,092
S174	3,166	132
S175	163,561	6,815
S364	4,327	180
S367	1,510,180	62,924
S560	85,648	3,569
Total Flat Cars - TYOFC/COFC	1,955,721	81,488
V411	5,059,678	210,820
V418	3,720	155
V442	128	5
V498	578,224	24,093
V941	1,526,972	63,624
V961	202,629	8,443
V971	808,745	33,698
V978	1,246	52
Total Flat Cars - Multi-level	8,181,342	340,889
F102	5,621	234
F106	2,583	108
F202	23,936	997
F203	1,968	82
F206	7,276	303
F306	2,406	100
Total Flat Cars - General Service	43,790	1,825
F114	1,863	78
F115	8,834	368
F116	33,826	1,409
F123	18,668	778
F124	3,078	128
F126	47,230	1,968
F141	2,802	117
F151	1,605	67
F152	155	6
F153	533	22
F154	7,530	314
F155	4,188	175
F212	385	16
F213	6,210	259
F215	19,092	796
F216	829	35
F223	94,741	3,948
F226	6,105	254
F242	68,109	2,838

2006 Union Pacific Car Hire Receivable

0060

AAR Cd	Hours	Days
F243	2,351,996	98,000
F252	32,200	1,342
F253	16,315	680
F255	19,279	803
F283	24,696	1,029
F311	6,741	281
F312	11,957	498
F323	1,788,011	74,500
F326	349	15
F342	16,116	672
F343	99,042	4,127
F352	5,702	238
F353	1,817	76
F355	834	35
F383	1,058,792	44,116
F411	225,822	9,409
F412	4,301	179
F421	66,247	2,760
F422	977	41
F423	235,059	9,794
F442	1,377	57
F443	16,580	691
F453	715,454	29,811
F455	196	8
F483	2,430,423	101,268
F826	477	20
Total Flat Cars - Other	9,456,543	394,023
T104	270	11
T105	10,322	430
T470	13	1
Total Tank Cars - Under 22,000 Gal	10,605	442
L027	1,135	47
L078	8,760	365
Total All Other Freight Cars	9,895	412

Union Pacific Railroad
Foreign Car Hire Payments By AAR_Cd
2006

0061

AAR Code	Raid.Hrs	Days	Pd Miles
B100	1	0	0
Plain Box Car - 40 Ft	1	0	0
B303	122	5	0
B304	184,995	7,708	714,654
B313	158	7	1,400
B314	2,304,313	96,013	8,836,995
B317	21,770	907	83,833
B404	92,969	3,874	326,568
B410	457	19	2,071
B414	1,090,968	45,457	4,140,340
B415	457,864	19,078	1,543,467
B417	289,810	12,075	1,078,856
B424	82,426	3,434	494,918
B427	17,617	734	96,215
B434	6,701	279	36,411
B435	115,880	4,828	463,772
B437	129,465	5,394	192,097
B604	2,228	93	14,927
B607	1,623	68	9,913
B614	237,025	9,876	1,038,842
B615	44,662	1,861	208,684
B617	211,197	8,800	915,719
B634	140,848	5,869	701,317
B635	1,145,552	47,731	5,345,816
B637	275,392	11,475	1,397,520
Plain Box Car - 50Ft>	6,854,042	285,585	27,644,335
A232	500,432	20,851	714,891
A302	22,023,485	917,645	87,068,170
A303	1,881,405	78,392	8,781,798
A305	1,178,642	49,110	4,880,452
A306	677,249	28,219	3,257,582
A307	806,607	33,609	4,253,624
A310	7,523	313	37,905
A312	340	14	2,095
A322	1,097,559	45,732	4,131,721
A332	2,994,500	124,771	11,715,623
A333	77,796	3,242	365,629
A335	172,777	7,199	645,994
A346	63,107	2,629	264,069
A400	87	4	0
A402	23,465,418	977,726	98,238,314
A403	8,153,785	339,741	32,491,245
A405	8,147,439	339,477	31,113,029
A406	10,371,585	432,149	35,267,741
A407	360,810	15,034	1,367,482
A410	13,460	561	70,657
A413	3,381	141	16,238
A415	564	24	2,980

Union Pacific Railroad
Foreign Car Hire Payments By AAR_Cd
2006

0062

AAR Code	Paid Hrs	Days	Pd Miles
A416	40,094	1,671	158,653
A422	4,798	200	19,843
A425	932	39	2,656
A430	144	6	1,126
A432	1,529,844	63,744	6,500,439
A433	484,100	20,171	2,658,543
A435	905,620	37,734	3,184,315
A436	243,928	10,164	1,085,805
A445	70,670	2,945	161,066
A446	99,856	4,161	459,932
A507	622,164	25,924	2,783,848
A602	1,059,001	44,125	5,333,693
A603	8,175,082	340,628	35,604,825
A605	1,395,806	58,159	6,288,646
A606	9,386,491	391,104	43,601,235
A607	6,771	282	32,422
A622	229	10	960
A626	15,641	652	70,083
A632	994,414	41,434	5,114,812
A633	748,859	31,202	3,273,502
A635	527,650	21,985	2,374,204
A636	938,486	39,104	5,116,946
A645	53,657	2,236	230,817
A706	1,577	66	7,482
A800	282,229	11,760	829,360
A806	2,644,482	110,187	12,732,090
A816	525	22	3,417
A830	140,368	5,849	762,525
A836	1,170,564	48,774	5,582,630
Total Equipped Box Cars	113,541,933	4,730,914	468,663,114
G110	4,645	194	20,645
G111	15,186	633	27,794
G112	5,121	213	18,595
G114	24,876	1,037	28,101
G115	191	8	532
G116	3,835	160	13,197
G118	433	18	2,862
G119	31,375	1,307	123,044
G314	21,853	911	93,774
G412	3,081	128	9,439
G510	19,210	800	49,410
G511	316	13	252
G512	486,549	20,273	1,029,060
G513	205,274	8,553	394,540
G514	1,072,974	44,707	3,348,257
G515	241,648	10,069	753,033
G516	449,343	18,723	1,391,995
G517	8,005	334	18,194
G518	1,511	63	3,844
G519	130,178	5,424	305,401

Union Pacific Railroad
Foreign Car Hire Payments By AAR_Cd
2006

00E3

AAR Code	Paid Hrs	Days	Rd Miles
G520	6,591	275	14,559
G522	8,204	342	17,943
G524	2,185	91	6,561
G525	36,615	1,526	102,139
G531	166	7	0
G534	1,486	62	3,288
G535	1,093	46	2,666
G537	1,896	79	7,886
G610	736	31	463
G611	523	22	206
G612	4,896	204	17,183
G616	45,171	1,882	166,243
G619	25,487	1,062	96,246
G620	1,217	51	464
G716	52,462	2,186	179,920
G719	401,439	16,727	1,440,371
J203	3,012	126	6,454
J301	204,914	8,538	902,286
J303	727	30	3,028
J304	408	17	2,000
J311	19,422,683	809,278	231,990,663
J312	699,507	29,146	8,143,506
Total Plain Gondola Cars	23,647,022	985,293	250,736,044

E100	67,297	2,804	527,768
E130	774,223	32,259	2,531,699
E132	374	16	1,073
E134	27,070	1,128	41,778
E141	5,587	233	17,030
E142	321,042	13,377	1,232,875
E145	4,081	170	10,483
E231	287,947	11,998	814,629
E232	1,183	49	6,448
E241	6,507,970	271,165	29,215,412
E242	368,063	15,336	1,545,511
E300	4,358	182	12,264
E330	564,979	23,541	1,798,662
E331	119,102	4,963	240,775
E334	28,238	1,177	40,419
E341	15,233	635	43,323
E430	1,550	65	5,746
E431	26,651	1,110	91,274
E432	36,051	1,502	106,007
E440	27,798	1,158	86,219
E441	1,979,704	82,488	7,255,856
E442	277,719	11,572	813,205
E500	113,788	4,741	49,622
E507	162,742	6,781	224,518
E520	299,722	12,488	1,676,682
E524	1,693	71	6,991
E530	12,562,693	523,446	36,414,048

Union Pacific Railroad
Foreign Car Hire Payments By AAR_Cd
2006

0064

AAR Code	Paid Hrs.	Days	Pd Miles
E531	824,331	34,347	2,781,502
E532	1,807	75	7,304
E534	4,355,321	181,472	11,786,685
E535	17,277	720	56,393
E537	2,555	106	1,949
E540	17,139	714	99,821
E541	247,489	10,312	674,960
E542	8,917	372	34,606
E544	24,701	1,029	73,990
E620	38,923	1,622	177,035
E621	1,723	72	3,020
E630	675,272	28,136	1,473,261
E631	109,948	4,581	401,484
E632	326	14	2,036
E634	31,531	1,314	115,194
E640	33,479	1,395	164,213
E641	1,358,140	56,589	5,724,571
E642	31,047	1,294	20,433
E644	3,833	160	21,733
E700	12,625	526	26,264
E707	293	12	134
E720	23	1	0
E730	3,225,095	134,379	8,275,811
E731	4,124	172	15,594
E734	18,376	766	87,205
E735	3,383,385	140,974	8,499,894
E737	5,957	248	17,755
E830	257,730	10,739	800,868
Total Equipped Gondola Cars	39,278,225	1,636,593	126,154,032
C111	673,534	28,064	1,584,428
C112	5,490,481	228,770	14,498,500
C113	36,840,805	1,535,034	135,227,871
C114	7,005,731	291,905	32,424,912
C213	52	2	0
C214	47	2	14
C311	137	6	766
C312	56,692	2,362	168,628
C313	3,769,866	157,078	9,754,114
C314	1,245,928	51,914	2,287,600
C413	411,127	17,130	375,518
C414	600	25	0
C512	6,064	253	10,319
C612	6,608	275	22,532
C614	19,895	829	106,122
Total Covered Hopper Cars	55,527,567	2,313,649	196,461,324
H130	456	19	560
H230	20,558	857	19,146
H250	830	35	888
H330	19,487	812	23,511

Union Pacific Railroad
Foreign Car Hire Payments By AAR_Cd
2006

0065

AAR Code	Paid Hrs	Days	Pd Miles
H340	1,739,004	72,459	2,476,929
H350	756,233	31,510	2,378,951
H351	207,776	8,657	377,995
H352	7,417	309	95,835
Total Open Top Hopper - GS	2,751,761	114,657	5,373,815
J300	6,394	266	4,560
K140	326	14	1,394
K240	1,454	61	2,499
K247	813	34	1,451
K304	953	40	5,513
K320	1,247	52	2,907
K340	3,220,289	134,179	10,953,078
K341	9,795,485	408,145	116,861,116
K342	689	29	4,884
K344	15,861	661	40,547
K345	22,632	943	78,684
K346	6,089,947	253,748	68,076,126
K347	8,640	360	17,531
K380	16,413	684	2,614
Total Open Top Hopper - SS	19,181,143	799,214	196,052,904
R460	25,689	1,070	37,832
R470	132,103	5,504	174,290
R660	163,636	6,818	84,465
Total Refrigerator Cars - Mech	321,428	13,393	296,587
R310	1,391	58	9,530
R400	54,744	2,281	215,390
R410	8,374,930	348,955	36,747,318
R600	54,091	2,254	180,628
R610	1,802,882	75,120	9,900,701
Total Refrigerator Cars - Non Mech	10,288,038	428,668	47,053,567
P380	16,560	690	121,805
P432	10,396	433	32,627
P433	11,253	469	58,546
P440	72,965	3,040	604,529
P480	96,643	4,027	700,490
P533	22,048	919	119,686
P713	4,371	182	47,372
P720	3,088	129	6,987
P751	1,926	80	9,977
P752	134,787	5,616	1,194,688
P782	344,141	14,339	1,551,904
P812	683	28	2,455
P813	9,047	377	28,389
P823	8,725	364	32,821
P830	2	0	22
P831	49,542	2,064	561,065
P832	2,862	119	33,575

Union Pacific Railroad
Foreign Car Hire Payments By AAR_Cd
2006

0066

AAR Code	Paid Hrs	Days	Pd Miles
P833	14,231	593	161,124
P834	13,104	546	131,820
P836	30,036	1,252	307,408
P841	477,255	19,886	4,385,959
P842	200,605	8,359	691,215
P852	351,480	14,645	2,843,383
P862	106,194	4,425	976,632
P872	5,276	220	19,466
P880	312,159	13,007	2,589,060
P883	1,419	59	10,456
Q128	939	39	11,036
Q452	5,723	238	38,672
Q520	40,758	1,698	447,373
Q530	866	36	9,112
Q720	11,961	498	89,668
Q730	265,761	11,073	3,230,894
Q750	49,502	2,063	403,488
Q752	4,895	204	47,668
S110	5,083	212	47,137
S130	310	13	0
S150	523,577	21,816	5,547,986
S152	7,346	306	83,299
S160	873	36	66
S162	1,771,908	73,830	19,546,154
S171	982	41	9,252
S174	183,820	7,659	2,022,825
S175	185,439	7,727	2,052,761
S178	119,913	4,996	1,327,650
S310	1,020	43	11,779
S312	557,221	23,218	6,550,813
S313	1,674,008	69,750	20,103,022
S314	163	7	0
S317	3,618	151	795
S332	246,906	10,288	2,786,439
S333	1,156,578	48,191	13,855,611
S342	5,844	244	61,432
S350	21,244	885	160,872
S364	2,799	117	26,760
S367	2,361,529	98,397	27,115,152
S368	82,243	3,427	952,193
S410	123	5	0
S450	291,012	12,126	3,158,179
S566	82,584	3,441	922,823
S610	7,384,409	307,684	93,561,320
S615	116,426	4,851	1,425,225
S635	8,277,455	344,894	102,001,001
Total Flat Cars TOFC/COFC	27,745,636	1,156,068	324,831,918
V295	2,840	118	10,550
V401	167,737	6,989	1,124,343
V411	1,879,112	78,296	13,221,580

Union Pacific Railroad
Foreign Car Hire Payments By AAR_Cd
2006

0067

AAR Code	Raid Hrs	Days	Pd Miles
V412	1,951	81	17,347
V413	13,804	575	93,754
V415	53,456	2,227	336,451
V441	151,512	6,313	1,047,119
V442	597,048	24,877	4,303,747
V443	61,342	2,556	452,348
V491	57,295	2,387	351,134
V498	43,970	1,832	189,785
V778	1,283,433	53,476	9,725,751
V800	(495)	(21)	130
V860	(712)	(30)	65
V941	709,899	29,579	5,131,012
V961	316,238	13,177	2,396,440
V962	7,385	308	52,319
V971	3,385,160	141,048	26,146,679
V972	940,602	39,192	7,288,956
V973	77,270	3,220	613,760
V976	1,334,689	55,612	10,386,801
V978	496,788	20,700	3,844,152
V981	35,079	1,462	252,673
Total Flat Cars - Multi-level	11,615,403	483,975	86,986,896
F101	294	12	407
F102	5,460	228	14,179
F103	1,893	79	5,024
F201	20,174	841	53,447
F202	91,146	3,798	299,393
F203	70,782	2,949	251,545
F302	50,856	2,119	207,346
F303	171,060	7,128	626,217
Total Flat Cars - General Service	411,665	17,153	1,457,558
F113	10,721	447	13,154
F116	47,353	1,973	91,189
F122	23,565	982	29,822
F123	204,731	8,530	265,941
F125	52,387	2,183	88,681
F126	302,435	12,601	609,344
F131	8,760	365	0
F141	6,260	261	18,928
F142	1,828	76	2,274
F144	15,940	664	29,546
F145	8,655	361	4,570
F151	899	37	890
F152	0	0	0
F154	4,626	193	374
F155	1,528	64	5,659
F211	4,629	193	10,036
F212	7,231	301	19,113
F213	16,474	686	37,380

Union Pacific Railroad
Foreign Car Hire Payments By AAR_Cd
2006

0068

AAR Code	Paid Hrs	Days	Pd. Miles
F216	919	38	0
F222	62,556	2,607	218,747
F223	14,119	588	28,460
F226	226,793	9,450	1,268,568
F231	2,582	108	9,394
F241	488,833	20,368	1,416,742
F242	242,121	10,088	592,224
F243	629,068	26,211	2,229,752
F251	297,794	12,408	1,030,079
F252	142,914	5,955	455,341
F253	635,313	26,471	2,312,027
F255	12,997	542	22,851
F281	94,381	3,933	497,344
F283	1,553	65	4,494
F311	26,429	1,101	70,292
F312	166,695	6,946	398,025
F313	22,026	918	60,153
F314	1,333	56	2,076
F316	13,459	561	41,280
F322	16,111	671	56,236
F323	155,728	6,489	489,555
F326	713,024	29,709	4,556,500
F331	2,595	108	5,413
F341	69,438	2,893	234,658
F342	126,218	5,259	355,979
F343	485,009	20,209	1,470,323
F344	262	11	790
F351	1,510	63	280
F352	33,316	1,388	123,079
F353	551,372	22,974	1,845,726
F383	3,898,627	162,443	16,447,830
F401	36,755	1,531	53,175
F402	5,939	247	0
F403	380,565	15,857	790,950
F405	51,511	2,146	43,400
F411	30,538	1,272	111,832
F413	179,850	7,494	516,660
F414	2,081	87	1,308
F421	51,779	2,157	46,634
F422	13,778	574	13,384
F423	209,286	8,720	792,961
F431	33,422	1,393	109,807
F432	22,632	943	61,695
F433	81,323	3,388	190,836
F434	7,386	308	21,851
F441	171,554	7,148	639,107
F443	708,156	29,507	1,874,645
F451	61,933	2,581	164,106
F452	8,055	336	24,160
F453	519,830	21,660	2,141,926
F481	15,487	645	36,400

Union Pacific Railroad
Foreign Car Hire Payments By AAR_Cd
2006

009

AAR -Code	Paid Hrs	Days	Pd Miles
F483	43,495,757	1,812,323	184,294,181
F484	50,975	2,124	90,056
F493	127	5	0
F526	1,013	42	2,459
F626	6,614	276	48,899
F716	6,183	258	7,644
F726	7,648	319	13,603
F826	55,904	2,329	60,836
Total Flat Cars - Other	56,069,198	2,336,217	229,623,634
T054	351,492	14,646	749,682
T105	1,262	53	4,049
T107	344	14	0
Total Tank Car - Under 22,000 G	353,098	14,712	753,731
L006	6,153	256	0
L008	92,937	3,872	316,737
L026	90,492	3,771	291,984
L027	89,847	3,744	205,146
L028	579	24	2,956
L047	286,933	11,956	757,716
L063	210	9	381
L070	22,501	938	98,149
L077	8,025	334	19,574
F472	2,466	103	13,021
F272	286	12	1,436
F273	16,959	707	33,975
F172	44	2	0
F373	12,524	522	43,715
Q810	12,208	509	221,981
Q811	617,687	25,737	12,382,501
Q813	89,078	3,712	1,800,117
Total All Other Freight Cars	1,348,929	56,205	16,189,389

Make Whole Adjustment

.

Appendix A
Manual Make-Whole Work Sheet
Railroad -

0070

		Private Owned Cars Only	Railroad Owned Cars Only
1	Calculation of Switching Add-On Single car movements only (1 to 5 cars)	XX	XX
1 (a)	Number of industry switching events (see Make-Whole Definition Sheet item A-1)	0	0
1 (b)	Make-whole add-on per industry switching event (see Make-Whole Data Sheet item B-1)	0	0
Sum 1	Switching Add-On = 1 (a) x 1 (b)	0	0
2	Calculation of Station Clerical Add-On Single car movements only (1 to 5 cars)	XX	XX
2 (a)	Carloads originated and terminated (see Make-Whole Definition Sheet item A-2)	0	0
2 (b)	Make-whole add-on per carload originated and terminated (see Make-Whole Data Sheet item B-2)	0	0
Sum 2	Station Clerical Add-On = 2 (a) x 2 (b)	0	0
3	Calculation of Interchanged Switching Add-On Single and multiple car movements (1 to 49 cars)	XX	XX
3 (a)	Single and multiple carloads interchanged (see Make-Whole Definition Sheet item A-3)	0	0
3 (b)	Make-whole add-on per carload interchanged (see Make-Whole Data Sheet item B-3)	0	0
Sum 3	Interchange Switching Add-On = 3 (a) x 3 (b)	0	0
4	Calculation of Mileage Add-On Single and multiple car movements (1 to 49 cars)	XX	XX
4 (a)	Car-miles in thousands (see Make-Whole Definition Sheet item A-4)	0	0
4 (b)	Make-whole add-on per thousand car miles (see Make-Whole Data Sheet Item B-4)	0	0
Sum 4	Milage Add-On = 4 (a) x 4 (b)	0	0
	Calculation of Total Make-Whole Add-On		

5	Sum 1 + Sum 2 + Sum 3 + Sum 4	0	0
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Appendix A

Manual Make-Whole Definition Sheet

- (A-1) **Industry Switching Events** - Carloads originated and terminated times the spotted and pulled ratio for car type (see Manual Make-whole data sheet Item B-5). Phase III worktable location line 305.

Local = 2 times number of cars times spotted and pulled ratio for car type.

Originated and Forwarded = 1 times number of cars times the spotted and pulled ratio for car type.

Received and Terminated = 1 times number of cars times the spotted and pulled ratio for car type.

Bridge = N/A

- (A-2) **Carloads Originated & Terminated** - Phase III worktable location; Non-TOFC line 252, TOFC line 251.

Local = 2 times number of cars.

Originated and Forwarded = 1 times number of cars.

Received and Terminated = 1 times number of cars.

Bridge = N/A

- (A-3) **Carloads Interchanged** - Number of cars times number of interchanges per car times empty to loaded ratio for car type (see Manual Make-Whole Data Sheet (Item B-5). Phase III worktable location line 308.

Local = N/A.

Originated and Forwarded = 1 times number of cars times empty to loaded ratio for car type.

Received and Terminated = 1 times number of cars times empty to loaded ratio for car type.

Bridge = 2 times number of cars times empty to loaded ratio for car type.

- (A-4) **Car miles in thousand's** - Number of cars times miles times empty to loaded ratio for car type divided by 1000. Phase III worktable location "Car Miles Including Empty

2005 UPRR URS MAKE-WHOLES

0072

<E2P3L301 C1="60.4328072074065" C2="53.1895922475233"/>
 <E2P3L302 C1="18.2058632118418" C2="4.54633620853601"/>
 <E2P3L303 C1="13.4154716708301" C2="12.6046422372951"/>
 <E2P3L304 C1="80.3541732121075" C2="64.8819177432354"/>
 <E2P3L305 C1="13.4844514697289" C2="13.3265213616371"/>

	<u>PRIVATE</u>	<u>RR</u>
INDUSTRY SWITCH	53.189592	60.432807
CARLOAD ORG. + TERM STATE GENERAL	4.546336	18.205863
CARLOAD INTERCHANGED	12.604642	13.415472
PER THOUSAND CAR-MILES	64.881918 + 13.326521 <hr/> 78.208439	80.354173 + 13.484451 <hr/> 93.838624

10/27/06

AB-33 (Sub. No. 209)

Appendix A
Manual Make-Whole Work Sheet
Railroad - UP - Base Year
Off Branch

		Private Owned Cars Only	Railroad Owned Cars Only
1	Calculation of Switching Add-on Single car movements only (1 to 5 cars)	36	728
1(a)	Number of industry switching events Local - Off Branch only 1 x no of cars x spotted and pulled ratio (see Make-Whole Definition Sheet item A-1)	0	10
1(b)	Make-whole add-on per industry switching event (see Make-Whole Data Sheet item B-1)	\$ 53 18959	\$ 60 43281
Sum 1	Switching Add-On = 1(a) x 1(b)	\$ -	\$ 604.33
2	Calculation of Station Clerical Add-on Single car movements only (1 to 5 cars)	36	728
2(a)	Carloads originated and terminated (see Make-Whole Definition Sheet item A-2)	36	733
2(b)	Make-whole add-on per carload originated and terminated (see Make-Whole Data Sheet item B-2)	\$ 4 54634	\$ 18 20586
Sum 2	Station Clerical Add-On = 2(a) + 2(b)	\$ 163.67	\$ 13,344.90
3	Calculation of Interchanged Switching Add-on Single and Multiple car movements (1 to 49 cars)	36	723
3(a)	Single and Multiple carloads interchanged (see Make-Whole Definition Sheet item A-3)	107 0802	1468 68774
3(b)	Make-whole add-on per carload interchanged (see Make-Whole Data Sheet item B-3)	\$ 12.60464	\$ 13.41547
Sum 3	Interchanged Switching Add-On = 3(a) x 3(b)	\$ 1,349.71	\$ 19,703.14
4	Calculation of Mileage Add-on Single car movements only (1 to 5 cars)	36	728
4(a)	Single and Multiple carloads interchanged Off Branch miles only (see Make-Whole Definition Sheet item A-4)	5 82	93 12
4(b)	Make-whole add-on per thousand car-miles (see Make-Whole Data Sheet item B-4)	\$ 78 20844	\$ 93 83862
Sum 4	Mileage Add-On = 4(a) x 4(b)	\$ 454.79	\$ 8,737.92
5	Calculation of Total Make-Whole Add-On Sum 1 + Sum 2 + Sum 3 + Sum 4	\$ 1,968.16	\$ 42,390.28
	Inflated to Base Year	\$ 2,011.46	\$ 43,322.87
	Total		\$ 45,334.33

AB-33 (Sub. No. 209)

Appendix A
Manual Make-Whole Work Sheet
Railroad - UP - Forecast Year
Off Branch

		Private Owned Cars Only	Railroad Owned Cars Only
1	Calculation of Switching Add-on Single car movements only (1 to 5 cars)	36	728
1(a)	Number of industry switching events Local - Off Branch only 1 x no. of cars x spotted and pulled ratio (see Make-Whole Definition Sheet item A-1)	0	10
1(b)	Make-whole add-on per industry switching event (see Make-Whole Data Sheet item B-1)	\$ 53 18959	\$ 60 43281
Sum 1	Switching Add-On = 1(a) x 1(b)	\$ -	\$ 604 33
2	Calculation of Station Clerical Add-on Single car movements only (1 to 5 cars)	36	728
2(a)	Carloads originated and terminated (see Make-Whole Definition Sheet item A-2)	36	733
2(b)	Make-whole add-on per carload originated and terminated (see Make-Whole Data Sheet item B-2)	\$ 4 54634	\$ 18 20586
Sum 2	Station Clerical Add-On = 2(a) + 2(b)	\$ 163.67	\$ 13,344.90
3	Calculation of Interchanged Switching Add-on Single car movements only (1 to 5 cars)	36	723
3(a)	Single and Multiple carloads interchanged (see Make-Whole Definition Sheet item A-3)	107 0802	1468 68774
3(b)	Make-whole add-on per carload interchanged (see Make-Whole Data Sheet item B-3)	\$ 12 60464	\$ 13 41547
Sum 3	Interchanged Switching Add-On = 3(a) x 3(b)	\$ 1,349.71	\$ 19,703.14
4	Calculation of Mileage Add-on Single car movements only (1 to 5 cars)	36	728
4(a)	Car-miles in thousands Off Branch miles only (see Make-Whole Definition Sheet item A-4)	5 82	93 12
4(b)	Make-whole add-on per thousand car-miles (see Make-Whole Data Sheet item B-4)	\$ 78 20844	\$ 93 83862
Sum 4	Mileage Add-On = 4(a) x 4(b)	\$ 454.79	\$ 8,737.92
5	Calculation of Total Make-Whole Add-On Sum 1 + Sum 2 + Sum 3 + Sum 4	\$ 1,968.16	\$ 42,390 28
	Inflated to Forecast Year	\$ 2,062.63	\$ 44,425.02
	Total		\$ 46,487.65

Flowchart

BRANCH LINE ABANDONMENT FLOW CHART



Exhsup

Exhibit Support (Filename EXHSUP)

0076

EXHIBIT I & IA (Note IA is the same as I, except Line 5a reflects normalized MOW for base year)

Branch Chaska Industrial Lead

Date November 14, 2007

By. MND

Exhibit I

		Base	Forecast
Revenues attributable for			
1	Freight Originated &/or Terminated On-Branch	\$774,152	\$901,214
2	Bridge Traffic Almost always zero due to ability to ignore if alternate routes are available Ray Allamong if required	0	0
3	All Other Revenue & Income Lease Rental Income-Real Estate	0	0
4	Total Revenues Attributable L 1 + L 2 + L 3	\$774,152	\$901,214
Avoidable Costs for			
5a	On-Branch Maintenance of Way & Structures Base & Forecast(normalized) Per Engineering	44,413	44,734
5b	On-Branch Maintenance of Equipment On-Branch Locomotive Cost Categories Spreadsheet Maintenance of Locomotive Repair and Maintenance Locomotive Depreciation Total ONBLOCO L 3	1,439 1,830 3,269	1,509 1,830 3,339
5c	On-Branch Transportation On-Branch Locomotive Cost Categories Spreadsheet L 8o Total Crew Wages + L 4i Train Inspec & Lubric. + L 5c Train Fuel + L 6f Locomotive Servicing Total ONBLOCO L 8c + 4i + 5c + 6f	63,149 8,059 73,774 395 145,377	66,234 8,453 73,774 414 148,875
5d	On-Branch General Administrative Actual, if any	0	0
5e	On-Branch Deadheading, Taxi & Hotel Actual, if any	0	0
5f	On-Branch Overhead Movement Actual, if any Relates to Bridge Traffic	0	0
5g	Non-ROI On-Branch Freight Car Costs Supporting Calculations to the Exhibits Spreadsheet L 3 On-branch Non-ROI cost per car day-RR cars + L 8 On-branch Non-ROI cost per car day-Pvt cars	46,958 0	48,613 0

+ L 4 On-branch Non-ROI cost per car-mile-RR cars	824	846
+ L 9 On-branch Non-ROI cost per car-mile-Pvt cars	21	21
	47,803	49,480

5h	ROI On-Branch Freight Car Costs Supporting Calculations to the Exhibits Spreadsheet L 12 On-branch freight car ROI cost-RR cars NOTE Includes impact of holding gains in the Forecast Year due to unit cost development.	69,832	69,832
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5i	ROI On-Branch Locomotive Costs On-Branch Locomotive Cost Categories Spreadsheet L 9a Locomotive ROI - Less Holding Gains	4,419	3,338
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5j	On-Branch Revenue Taxes Only applicable in states of Oregon (003%), Missouri & Arkansas	0	0
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x5k	On-Branch Property Taxes	0	0
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5l	Total On-Branch Costs Sum of Lines 5a thru 5k	315,112	319,598
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6a	Off-branch costs excluding freight car ROI Supporting Calculations to the Exhibits Spreadsheet L 14 Off-branch Non-ROI modified term -RR car + L 26 Off-branch Non-ROI modified term -Pvt car + L 16 Off-branch Non-ROI regular term -RR car + L 28 Off-branch Non-ROI regular term -Pvt car + L 18 Off-branch Non-ROI I/C term -RR car + L 30 Off-branch Non-ROI I/C term -Pvt car + L 21 Off-branch Non-ROI Car-mile cost-RR car + L 33 Off-branch Non-ROI Car-mile cost-Pvt car + L 23 Off-branch Non-ROI ton-mile cost-RR car + L 35 Off-branch Non-ROI ton-mile cost-Pvt car + L 46 Off-branch ROI ton-mile cost-RR car + L 57 Off-branch ROI ton-mile cost-Pvt car + Loss & Damage Spreadsheet Totals by Year	79,033 1,357 785 0 41,846 1,451 38,848 1,041 26,325 1,193 5,644 256 11,361 209,140	82,216 1,424 818 0 43,729 1,522 40,467 1,092 27,630 1,252 5,644 256 11,919 217,970
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6b	Off-branch freight car ROI costs Supporting Calculations to the Exhibits Spreadsheet L 38 Off-branch ROI modified term -RR car + L 49 Off-branch ROI modified term -Pvt car + L 40 Off-branch ROI regular term -RR car + L 51 Off-branch ROI regular term -Pvt car + L 42 Off-branch ROI I/C term -RR car + L 53 Off-branch ROI I/C term -Pvt car + L 44 Off-branch ROI Car-mile cost-RR car + L 55 Off-branch ROI Car-mile cost-Pvt car	75,469 254 518 0 89,616 558 14,098 233 180,745	75,469 254 518 0 89,616 558 14,098 233 180,745
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6c	Off-branch URCS multiple Car Adjustment Per Workpapers	0	0
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6d	Make Whole Adjustment Off-Branch		
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Spreadsheet

L 38 Off-branch ROI modified term -RR car	75,469	75,469
+ L 49 Off-branch ROI modified term -Pvt car	254	254
+ L 40 Off-branch ROI regular term -RR car	518	518
+ L 51 Off-branch ROI regular term -Pvt car	0	0
Per Workpapers	45,334	46,488

6c	Total Off-Branch Costs L 6a + L 6b	435,219	445,202
7	Total On & Off-Branch (Avoidable) Costs L 5l + L 6c	750,331	764,800

Subsidization Costs for
(For Base & Forecast Year Only)

x8	Rehabilitation Per Engineering	0	6,176,615
9	Administration Costs L 4 X 1%	7,742	9,012
10	Casualty Reserve Account Subsidizer must pay all claims so UPRR is held harmless from all cost incurred as a result of accidents or acts of God Value normally equal to zero.	0	0
11	Total Subsidization Costs L 8 + L 9 + L 10.	7,742	6,185,627

Return on Value

GLN1	On-Branch Locomotive Cost Categories Spreadsheet. L 2z Locomotive Depreciation	1,830	1,830
12a	Working Capital 15 days worth of on-branch costs less ROI & depreciation(15 days of out-of-pocket expense) {L 5l - (GLN1 + L 5h + L 5i+track depr)) X (15/365)	9,823	10,052
xGLN2	Market Value of Non-Reversionary Land Per Real Estate	1,750,063	1,750,063
GLN3	Land Costs Including the Cost of Sale Per Real Estate	0	0
xGLN3a	Tax Value of Nonreversionary Property as of March 1, 1913 ATTENTION IF GLN3a > GLN2, THEN GLN4 = 0	0	0
xGLN4	Taxable Gain (L GLN2 - L GLN3) - GLN3a ATTENTION IF NEGATIVE, THEN PLUG IN ZERO	1,750,063	1,750,063
xGLN5	Tax Rate 35% Federal & 2% State	37%	37%

Spreadsheet			
	L 38 Off-branch ROI modified term -RR car	75,469	75,469
	+ L 49 Off-branch ROI modified term -Pvt car	254	254
	+ L 40 Off-branch ROI regular term -RR car	518	518
	+ L 51 Off-branch ROI regular term -Pvt car	0	0
xGLN6	Value of Salvageable Scrap & Secondhand Materials Not Retained Per Engineering	688,692	688,692
xGLN6a	Value of Salvageable Scrap & Secondhand Materials Retained Per Engineering	0	0
xGLN7	Cost of Removal Per Engineering	(390,223)	(390,223)
	Scrap Removal (7b)	(390,223)	(390,223)
	Retained Removal (7c)	0	0
12b	Income Tax Consequences (L GLN4 + L GLN6 + L GLN7b) * L GLN5 * -1	(1,046,722)	(1,046,722)
12c	Net Liquidation Value ((GLN2 - GLN3) + GLN6 + GLN6a + GLN7A)	2,828,978	2,828,978
GLN8	Total Valuation of Property L 12a + L 12b + L 12c	1,792,079	1,792,308
13	Nominal Rate of Return Freight Car Costs Spreadsheet, L. 12g Nominal Cost of Capital Real Cost of Capital	18.4% 13.9%	18.4% 13.9%
14	Nominal Return on Value L GLN8 X L 13	329,743	329,785
15	Holding Gain (Loss) Change in Net Liquidation Value L 12c Forecast Year - Base Year (Nominal - Real)	0	127,304
16	Total Return on Value L 14 - L 15	329,743	202,481
17	Avoidable Gain or (Loss) from Operations L 4 - L 7	23,821	136,414
18	Estimated Forecast Year Loss from Operations L 4 - L 7 - L 16	(305,922)	(66,067)
19	Estimated Subsidy Payment L 4 - L 7 - L 11 - L 16	(313,664)	(6,251,694)

Wrkprs Spreadsheet

(Filename.WRKPRS)

Branch Chaska Industrial Lead

Date November 14, 2007

By MND

Summary for File.EXHSUP

	Base Year	Forecast Year
Total of 3,4,8 & 9 above for line 5g of EXHSUP		
L 3:On-branch Non-ROI cost per car day-RR cars	\$46,958	\$48,613
L 8 On-branch Non-ROI cost per car day-Pvt cars	0	0
L 4:On-branch Non-ROI cost per carmile-RR cars	824	846
L 9 On-branch Non-ROI cost per carmile-Pvt cars	20	21
Total On-Branch Non-ROI Cost	<u>\$47,801</u>	<u>\$49,480</u>
Total of 12 for 5h of EXHSUP		
ROI On-Branch Freight Car Cost	<u>\$69,832</u>	<u>\$69,832</u>
Total of 14,16,19,26,28,31,21,33,23,35, 46,& 57 above for line 6a of EXHSUP		
L 14 Off-branch Non-ROI modified term.-RR car	\$79,033	\$82,216
L 26 Off-branch Non-ROI modified term.-Pvt car	1,357	1,424
L 16 Off-branch Non-ROI regular term -RR car	785	818
L 28 Off-branch Non-ROI regular term.-Pvt car	0	0
L 19 Off-branch Non-ROI I/C term -RR car	41,846	43,729
L 31 Off-branch Non-ROI I/C term -Pvt car	1,451	1,522
L 21 Off-branch Non-ROI Carmile cost-RR car	38,848	40,467
L 33 Off-branch Non-ROI Carmile cost-Pvt car	1,041	1,092
L 23 Off-branch Non-ROI tonmile cost-RR car	26,325	27,630
L 35 Off-branch Non-ROI tonmile cost-Pvt car	1,193	1,252
L 46 Off-branch ROI tonmile cost-RR car	5,644	5,644
L 57 Off-branch ROI tonmile cost-Pvt car	256	256
Total Off-Branch Cost ex FC ROI	<u>\$197,779</u>	<u>\$206,051</u>
Total of 38,49,40,51,42,53,44, & 55 above for line 6b of EXHSUP		
L 38 Off-branch ROI modified term -RR car	\$75,469	\$75,469
L 49 Off-branch ROI modified term.-Pvt car	254	254
L 40 Off-branch ROI regular term -RR car	518	518
L 51 Off-branch ROI regular term -Pvt car	0	0
L 42 Off-branch ROI I/C term -RR car	89,616	89,616
L 53 Off-branch ROI I/C term.-Pvt car	558	558
L 44 Off-branch ROI Carmile cost-RR car	14,098	14,098
L 55 Off-branch ROI Carmile cost-Pvt car	233	233
Total Off-Branch Freight Car ROI	<u>\$180,745</u>	<u>\$180,745</u>

Input Screen for: Supporting Calculations (Filename: WRKPRS)

Branch Chaska Industrial Lead

Date: November 14, 2007

By MND

Covered

Hopper

Number of RR Carloads

Base Year 728

Forecast Year 728

RR Car Days-On-Branch.

Base Year 2,912

Forecast Year 2,912

RR Car Miles-On-Branch

Base Year 8,154

Forecast Year 8,154

RR Cars Local to the Road:

Base Year 5

Forecast Year 5

Off-Branch RR Car Miles.

Base Year 45,628

Forecast Year 45,628

Off-Branch RR GTM

Base Year 4,211,947

Forecast Year 4,211,947

Number of PV Carloads:

Base Year 36

Forecast Year 36

PV Total Car Days-On-Branch.

Base Year 144

Forecast Year 144

PV Total RT Car Miles-On-Branch

Base Year 403

Forecast Year 403

PV Cars Local to the Road:

Base Year 0

Forecast Year 0

PV Total Loaded Off-Branch Car Miles:

Base Year 1,944

Forecast Year 1,944

PV Off-Branch GTM.

Base Year 190,890

Forecast Year 190,890

(Filename WRKPRS)

Branch Chaska Industrial Lead

Date November 14, 2007

By MND

Covered

Hopper

On-Branch Non-ROI Costs RR Owned

1 Cost per Car Day Non-Roi-RR		
Freight Car Costs Spreadsheet L 16		
Base Year		16 12563
Forecast Year		16 69397
2 Cost per Car Mile Non-Roi-RR		
Freight Car Costs Spreadsheet L 19		
Base Year		0 10103
Forecast Year		0 10381
3 Total Car Day Costs		
L 1 X Input RR Car Days-On-Branch		
Base Year		46,957 83
Forecast Year		48,612 84
4 Total Car Mile Costs		
L.2 X Input RR Car Miles-On-Branch		
Base Year		823 76
Forecast Year		846 43
5 Total Non-ROI-RR Car Costs:		
L.3 + L.4		
Base Year		47,781 59
Forecast Year		49,459 27

On-Branch Non-ROI Costs PV Owned

6 Cost per Car Day.		
(If Applicable)		
Base Year		0.00
Forecast Year		0.00
7 Cost per Car Mile.Non-Roi-PV		
Freight Car Costs Spreadsheet L 20e		
Base Year		0.04895
Forecast Year		0.05134
8 Total Car Day Costs		
L 6 X Input PV Car Days-On-Branch		
Base Year		0 00
Forecast Year		0 00
9 Total Car Mile Costs		
L 7 X Input PV Car Miles-On-Branch		
Base Year		19 74

Forecast Year	20 70
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10 Total Non-ROI-PV Car Costs
L 8 + L 9

Base Year	19.74
Forecast Year	20 70

On-Branch ROI Costs:RR Owned

11 ROI Cost per Car Day.
Freight Car Costs Spreadsheet L 12i
Forecast Yr sub L 12n for L 12i

Base Year	23 98090
Forecast Year	23 98090

12 Total ROI-RR Car Costs
L 11 X Input RR Car Days-On-Branch

Base Year	69,832 38
Forecast Year	69,832 38

Off-Branch Non-ROI Costs RR Owned

13 Modified Terminal Non-ROI-RR Cars
Freight Car Costs Spreadsheet L 22o

Base Year	108.56249
Forecast Year	112 93426

14 Total Non-ROI Off-Branch Modified
Terminal Costs RR
L 13 X Input Number of RR Carloads

Base Year	79,033 49
Forecast Year	82,216.14

15 Normal Terminal Non-ROI-RR Cars
Freight Car Costs Spreadsheet L 23f

Base Year	156.91749
Forecast Year	163 67780

16 Total Non-ROI Off-Branch Normal
Terminal Costs RR
L 15 X Input RR Cars Local to the Road

Base Year	784.59
Forecast Year	818.39

17 Carloads Interchanged.
Input Number of RR Carloads - Input RR
Cars Local to the Road

Base Year	723
Forecast Year	723

18 I/C Terminal Non-ROI-RR Cars
Freight Car Costs Spreadsheet L.24e

	Base Year	57 87808
	Forecast Year	60 48238
19	Total Non-ROI Off-Branch I/C Terminal Costs-RR L 17 X L 18	
	Base Year	41,845 85
	Forecast Year	43,728.76
20	Cost per Car Mile-Non-ROI-RR Freight Car Costs Spreadsheet L 26g	
	Base Year	0 85141
	Forecast Year	0 88688
21	Total Non-ROI Off-Branch Car Mile Costs:RR L 20 X Input Off-Branch RR Car Miles	
	Base Year	38,848 14
	Forecast Year	40,466 56
22	Cost Per Gross Ton Mile.Non-ROI-RR Freight Car Costs Spreadsheet L 25j	
	Base Year	0.00625
	Forecast Year	0 00656
23	Total Non-ROI Off-Branch GTM Cost.RR L 22 X Input Off-Branch RR GTM	
	Base Year	26,324 67
	Forecast Year	27,630 37
24	Total Non-ROI-RR.Off-Branch Costs L.14 + L 16 + L 19 + L 21 + L 23	
	Base Year	186,836 74
	Forecast Year	194,860 22
Off-Branch Non-ROI Costs.PV Owned		
25	Modified Terminal-Non-ROI-PV Cars Freight Car Costs Spreadsheet L 27	
	Base Year	37.70432
	Forecast Year	39 55615
26	Total Non-ROI Off-Branch Modified Terminal Costs PV L 25 X Input Number of PV Carloads	
	Base Year	1,357 36
	Forecast Year	1,424.02
27	Normal Terminal:Non-ROI-PV Cars Freight Car Costs Spreadsheet L 28	
	Base Year	87 20729
	Forecast Year	91 49044

28 Total Non-ROI Off-Branch Normal Terminal Costs PV L.27 X Input PV Cars Local to the Road		
	Base Year	0.00
	Forecast Year	0.00
29 Carloads Interchanged: Input Number of PV Carloads - Input PV Cars Local to the Road		
	Base Year	36
	Forecast Year	36
30 I/C Terminal Non-ROI-PV Cars Freight Car Costs Spreadsheet L 29		
	Base Year	40.29329
	Forecast Year	42 27227
31 Total Non-ROI Off-Branch I/C Terminal Costs PV L.29 X L.30		
	Base Year	1,450.56
	Forecast Year	1,521 80
32 Cost per Car Mile Non-ROI-PV Freight Car Costs Spreadsheet L.30		
	Base Year	0 53551
	Forecast Year	0 56198
33 Total Non-ROI Off-Branch Car Mile Costs:PV L.32 X Input Off-Branch PV Car Miles		
	Base Year	1,041 03
	Forecast Year	1,092 49
34 Cost Per Gross Ton Mile:Non-ROI-PV Freight Car Costs Spreadsheet L 25j		
	Base Year	0.00625
	Forecast Year	0 00656
35 Total Non-ROI Off-Branch GTM Cost PV L 34 X Input Off-Branch PV GTM		
	Base Year	1,193 06
	Forecast Year	1,252 24
36 Total Non-ROI-PV Off-Branch Costs. L 26 + L 28 + L.31 + L.33 + L 35		
	Base Year	5,042 01
	Forecast Year	5,290.55

Off-Branch ROI Costs.RR Owned

37 Modified Terminal ROI-RR Cars Freight Car Costs Spreadsheet L 31c		
	Base Year	103.66607
	Forecast Year	103 66607
38 Total ROI Off-Branch Modified Terminal Costs RR L 37 X Input Number of RR Carloads		
	Base Year	75,468 90
	Forecast Year	75,468 90
39 Normal Terminal ROI-RR Cars Freight Car Costs Spreadsheet L.32b		
	Base Year	103 66607
	Forecast Year	103 66607
40 Total ROI Off-Branch Normal Terminal Costs RR L.39 X Input RR Cars Local to the Road		
	Base Year	518 33
	Forecast Year	518 33
41 I/C Terminal ROI-RR Cars Freight Car Costs Spreadsheet L 33b		
	Base Year	123 94972
	Forecast Year	123 94972
42 Total ROI Off-Branch I/C Terminal Costs RR L.17 X L 41		
	Base Year	89,615 65
	Forecast Year	89,615.65
43 Car Mile Cost ROI-RR Cars Freight Car Costs Spreadsheet L 35b		
	Base Year	0.30897
	Forecast Year	0 30897
44 Total ROI Off-Branch Car Mile Costs RR L.43 X Input Off-Branch RR Car Miles		
	Base Year	14,097 68
	Forecast Year	14,097 68
45 Cost per Gross Ton Mile ROI-RR Cars Freight Car Costs Spreadsheet L.34d		
	Base Year	0 00134
	Forecast Year	0.00134
46 Total ROI Off-Branch Ton Mile Costs RR L 45 X Input Off-Branch RR GTM		

Base Year	5,644.01
Forecast Year	5,644 01

47 Total ROI-RR.Off-Branch Costs.
L 38 + L.40 + L 42 + L 44 + L 46

Base Year	185,344 57
Forecast Year	185,344 57

Off-Branch ROI Costs PV Owned

48 Modified Terminal.ROI-PV Cars
Freight Car Costs Spreadsheet L 36

Base Year	7 05091
Forecast Year	7 05091

49 Total ROI Off-Branch Modified
Terminal Costs PV
L 48 X Input Number of PV Carloads

Base Year	253.83
Forecast Year	253 83

50 Normal Terminal ROI-PV Cars
Freight Car Costs Spreadsheet L 37

Base Year	28 02612
Forecast Year	28 02612

51 Total ROI Off-Branch Normal
Terminal Costs PV
L 50 X Input PV Cars Local to the Road

Base Year	0 00
Forecast Year	0 00

52 I/C Terminal ROI-PV Cars
Freight Car Costs Spreadsheet L 38

Base Year	15 51201
Forecast Year	15.51201

53 Total ROI Off-Branch I/C
Terminal Costs.PV
L.29 X L 52

Base Year	558.43
Forecast Year	558.43

54 Car Mile Cost.ROI-PV Cars
Freight Car Costs Spreadsheet L 40

Base Year	0.11963
Forecast Year	0.11963

55 Total ROI Off-Branch Car Mile
Costs PV
L.54 X Input Off-Branch PV Car Miles

Base Year	232.56
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	Forecast Year	232 56
56	Cost per Ton Mile:ROI-PV Cars Freight Car Costs Spreadsheet L 39	
	Base Year	0.00134
	Forecast Year	0 00134
57	Total ROI Off-Branch Ton Mile Costs·PV L.56 X Input Off-Branch PV GTM	
	Base Year	255.79
	Forecast Year	255 79
58	Total ROI-PV Off-Branch Costs L 49 + L 51 + L 53 + L 55 + L 57	
	Base Year	1,300.61
	Forecast Year	1,300 61

Way/Thru

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WAY/THRU CALCULATIONS

(Filename.WAYTHRU)

Branch: Chaska Industrial Lead

Date November 14, 2007

By: MND

INPUT SCREEN

Covered

Hopper

Cars Local to Road RR & PV

Base Year 5

Forecast Year 5

Total Loaded Miles Off-Branch.RR & PV (see file:TRAFFIC (I))

Base Year 47,572

Forecast Year 47,572

WAY/THRU CALCULATIONS

(Filename: WAYTHRU)

Branch: Chaska Industrial Lead

Date: November 14, 2007

By: MND

Covered

Hopper1 Average Miles/Car in Way Train
E2L201C1

Base Year	17 20026
Forecast Year	17.20026

2 Circuity Average
E2L101C7 thru E2L116C7

Base Year	1.148
Forecast Year	1 148

3 Circuity Factor
E2L101C6 thru E2L116C6

Base Year	1 164
Forecast Year	1 164

4 Empty/Loaded Ratio
E2L101C4 thru E2L116C4

Base Year	2.01031
Forecast Year	2 01031

5 Way Train Miles per Local to
Road Terminal
(L 1 / L.2) X (L 3 / L 4)

Base Year	8 67527
Forecast Year	8 67527

6 Loaded Miles-Way Train-Off-Branch
L 5 X Input Cars Local to Road-RR & PV

Base Year	43.3764
Forecast Year	43 3764

7 Loaded Miles-Thru Train-Off-Branch
Input Total Loaded Miles-Off
Branch-RR & PV - L 6

Base Year	47,528 6
Forecast Year	47,528 6

8 Percentage Way Train
L 6 / Input Total Loaded Miles-Off
Branch-RR & PV

Base Year	0 0009
Forecast Year	0.0009

9 Percentage Thru Train
L 7 / Input Total Loaded Miles-Off
Branch RR & PV

0091**WAY/THRU CALCULATIONS****(Filename WAYTHRU)****Branch Chaska Industrial Lead****Date November 14, 2007****By MND****Covered
Hopper**

Base Year	0 9991
Forecast Year	0 9991

**10 Average Train Tons-Thru
E2L213C1**

Base Year	5,277
Forecast Year	5,277

**11 Average Train Tons-Way
E2L212C1**

Base Year	2,210
Forecast Year	2,210

**12 Weighted Average Train Tons-Off-Branch
(L 10 X L 9) + (L 11 X L 8)**

Base Year	5,274 2
Forecast Year	5,274 2

**13 Average Locomotive per Train-Way.
E2L209C1**

Base Year	2 27741
Forecast Year	2 27741

**14 Average Locomotive per Train-Thru
E2L210C1**

Base Year	2 67445
Forecast Year	2 67445

**15 Weighted Average Locomotives per
Train-Off-Branch
(L 8 X L 13) + (L.9 X L.14)**

Base Year	2.67409
Forecast Year	2.67409

Onbloco Spreadsheet

(Filename ONBLOCO)

Branch Chaska Industrial Lead

Date. November 13, 2007

By MND

0092

SUMMARY FOR EXHIBITS

Base Year

Forecast Year

Total of 3 above for line 5b of EXHSUP

Maintenance of Equipment Repair & Maintenance

\$1,439

\$1,509

Locomotive Depreciation

1,830

1,830

\$3,269

\$3,339

Total of 8o,4i,5c, & 6f above for line 5c

of EXHSUP

Transportation Train Inspection & Supplies and Lubrication

\$8,059

\$8,453

Locomotive Servicing

395

414

Locomotive Fuel

73,774

73,774

Crew Wages

63,149

66,234

Total Transportation

\$145,377

\$148,875

9o for Line 5i of EXHSUP

On Branch Locomotive ROI - Less Holding Gains

\$4,419

\$3,338

2z for Line GLN1 of EXHSUP

Maintenance of Equipment Locomotive Depreciation

\$1,830

\$1,830

Branch. Chaska Industrial Lead

Date November 13, 2007

By MND

BaseForecast

Train Miles:	1,725	1,725
Train Hours	616 0	616 0
Number of Locomotives:	1.00	1 00
Crew Wages	46,537	46,537
Locomotive Replacement Value:	185,000	185,000
Fuel Index	2.1540	2.1540
Loco Repair & Maintce Index	1.003	1.052
Loco Train Insp & Lube Index:	1.003	1 052
Loco Servicing Index.	1 003	1.052
Crew Wage Index	1.003	1.052
Average Switch Speed	6	6

R-1 Data:

S.410/L 202/C.b	165,487,000	165,487,000
S 410/L.202/C.f	614,090,000	614,090,000
S.410/L 205/C.f	73,131,000	73,131,000
S.410/L.219/C.b	176,318,000	176,318,000
S.410/L 403/C.c	236,000	236,000
S.410/L.408/C b	65,796,000	65,796,000
S 410/L 408/C f	117,960,000	117,960,000
S.410/L.411/C.b	72,453,000	72,453,000
S.410/L.411/C f	84,376,000	84,376,000
S 410/L 414/C.f	566,654,000	566,654,000
S.410/L.419/C.b	1,605,657,000	1,605,657,000
S 415/L 2/C.b	575,930,000	575,930,000
S.415/L 2/C.c	129,454,000	129,454,000
S 415/L 2/C.d	83,882,000	83,882,000
S 415/L 2/C g	2,871,647,000	2,871,647,000
S 415/L 2/C h	1,897,261,000	1,897,261,000
S 415/L.2/C.i	1,210,963,000	1,210,963,000
S.415/L.2/C j	760,594,000	760,594,000
S 415/L 5/C b	614,090,000	614,090,000
S 710/L.5/C b	8,119	8,119
S.710/L.5/C j	8,368	8,368
S 755/L.5/C b	172,380,606	172,380,606
S 755/L.11/C b	481,478,690	481,478,690
S.755/L.12/C b	26,944,794	26,944,794
S.755/L.98/C.b	96,685,704,000	96,685,704,000
S 755/L 115/C b	8,724,701	8,724,701
S.755/L 116/C.b	2,116,822	2,116,822
Current Cost of Capital	0.184	0.184
Real Cost of Capital	0 139	0 139

ON-BRANCH COSTS FOR LOCOMOTIVE COST CATEGORIES

(Filename ONBLOCO)

Branch Chaska Industrial Lead

Date November 13, 2007

By MND

0094

	<u>Base</u>	<u>Forecast</u>
1a S 410 Railway OE L 202 Equipment Locomotives Repair & Maintenance C b Salaries & Wages	165,487,000	165,487,000
1b S 410 Railway OE L 205 Equipment Locomotives Fringe Benefits C f Total Expenses	73,131,000	73,131,000
1c S 410 Railway OE L 219 Equipment Total Locomotives C b Salaries & Wages	176,318,000	176,318,000
1d Repair & Maintenance Fringe L 1a X (L 1b / L 1c)	68,638,652	68,638,652
1e S 415 Supporting Schedule Equipment L 2 Locomotives Diesel Locomotive Road C b Repairs Net Expense	575,930,000	575,930,000
1f S 415 Supporting Schedule Equipment L 5 Total Locomotives C b Repairs Net Expense	614,080,000	614,080,000
1g Repair & Maintenance Road L 1e / L 1f	0.9379	0.9379
1h S 410 Railway OE L 202 Equipment Locomotives Repair & Maintenance C f Total Expenses	614,080,000	614,080,000
1i S 755 Railroad Operating Statistics L 88 Road Locomotives GTM C b Freight Train	96,885,704,000	96,885,704,000
1j Unit Cost or Cost per LGTM (L 1h + L 1d) X L 1g / L 1i	0.0066	0.0066
1k On-Branch Locomotive Unit Miles Input Train Miles X Input # Locomotives	1,725.00	1,725.00
1l On-Branch Service Units LGTM L 1k X 126 tons	217,350.00	217,350.00
1m Unindexed Locomotive Repair & Maintenance L 1j X L 1l	1,434,510.00	1,434,510.00
1n Indexed Locomotive Repair & Maintenance L 1m X Input Repair & Maintenance Index	1,436.81	1,508.10
2a S 415 Supporting Schedule Equipment L 2 Locomotive Diesel Locomotive Road C c Depreciation Owned	129,454,000	129,454,000
2b S 415 Supporting Schedule Equipment L 2 Locomotive Diesel Locomotive Road C d Depreciation Capitalized Lease	83,882,000	83,882,000
2c Booked Depreciation L 2a + L 2b	213,336,000	213,336,000
2d S 415 Supporting Schedule Equipment L 2 Locomotive Diesel Locomotive Road C g Investment Base as of 12/31 Owned	2,871,647,000	2,871,647,000
2e S 415 Supporting Schedule Equipment L 2 Locomotive Diesel Locomotive Road C h Investment Base as of 12/31 Capitalized Lease	1,897,261,000	1,897,261,000
2f Base Cost L 2d + L 2e	4,768,908,000	4,768,908,000
2g Depreciation Rate L 2c / L 2f	0.0447	0.0447
2h Annual Depreciation L 2g X Input Replacement Value	8,269.50	8,269.50
2i S 755 Railroad Ops Locomotive Unit Miles Road Service L 11 Total C b Freight Train	481,478,690	481,478,690
2j S 755 Railroad Ops Train Miles-Running L 5 Total Train Miles C b Freight Train	172,380,606	172,380,606
2k Units Per Train L 2i / L 2j	2.7931	2.7931

2l	S 755 Railroad Ops Train Hours L 115 Road Service C b Freight Train	8 724,701	8,724,701
2m	S 755 Railroad Ops Train Hours L 118 Train Switching C b Freight Train	2,116,822	2,116,822
2n	Running Hours L 2l - L 2m	6,607,879	6,607,879
2o	Running Locomotive Hours L 2k X L 2n	18,456,466 8349	18,456,466 8349
2p	S 755 Railroad Ops Locomotive Unit Miles Road Service L 12 Train Switching C b Freight Train	26,944,794	26,944,794
2q	Average Switch Speed	6	6
2r	Switch Hours L 2p / L 2q	4,490,799	4,490,799
2s	Total Hours L 2o + L 2r	22,947,265 8349	22,947,265 8349
2t	S 710 Inventory of Equipment L 5 Total Locomotive Units C b Units in Service at Beginning of Year	8,119	8,119
2u	S 710 Inventory of Equipment L 5 Total Locomotive Units C j Units in Service at End of Year	8,368	8,368
2v	Average Locomotive Units (L 2t + L 2u) / 2	8,243 50	8,243 50
2w	System Average Hours per Unit L 2s / L 2v	2,783 6800	2,783 6800
2x	Replacement Depreciation per Hour L 2h / L 2w	2 9707	2 9707
2y	On-Branch Locomotive Unit Hours Input Train Hours X Input # of Locomotives	616 00	616 00
2z	On-Branch Locomotive Depreciation L 2x X L 2y	1,829 95	1,829 95
3	Maintenance of Equipment L 1n + L 2z	3,268 76	3,339 05
4a	S 410 Railway OE L 408 Transportation Train Ops Train Inspection & Lubrication C b Salaries & Wages	65,796,000	65,796,000
4b	S 410 Railway OE L 414 Transportation Train Ops Fringe Benefits C f Total Expense	566,654,000	566,654,000
4c	S 410 Railway OE L 419 Total Train Ops C b Salaries & Wages	1,605,657,000	1,605 657,000
4d	Train Insp & Lubr & Crew Supp Frnge L 4a X (L 4b / L 4c)	23 220,131 4378	23,220,131 4378
4e	S 410 Railway OE L 403 Transportation Train Ops Train Crews C c Material, Tools, Supplies, Fuels & Lubricants	236,000	236,000
4f	S 410 Railway OE L 408 Transportation Train Ops Train Inspection & Lubrication C f Total Expense	117,960,000	117,960,000
4g	Unit Cost ((L 4e + L 4f) + L 4d) / (L 2l + L 2m)	13 0439	13 0439
4h	Unindexed On-Branch Locomotive Train Inspection & Lubrication & Crew Supplies L 4g X Input Train Hours	8,035 0424	8,035 0424
4i	Indexed On-Branch Locomotive Train Inspection & Lubrication & Crew Supplies L 4h X Input Train Insp & Lube Index	8 059 15	8,452 86
5a	GMA 1982 Fuel Cost for 2000 HP Unit per Hour	55 60	55 60
5b	Indexed Unit Fuel Cost L 5a X Input Fuel Index	119 7624	119 7624

5c	Locomotive Fuel L 5b X L 2y	73,773 84	73,773 84
6a	S 410 Railway OE L 411 Transportation Train Ops Servicing Locomotives C b Salaries & Wages	72,453,000	72,453,000
6b	Locomotive Servicing Fringe L 6a X (L 4b / L 4c)	25,568,460	25,568,480
6c	S 410 Railway OE L 411 Transportation Train Ops Servicing Locomotives C f Total Expenses	84,378,000	84,378,000
6d	Unit Cost per LUM (L 6c + L 6b) / L 2i	0 2283	0 2283
6e	Unindexed On-Branch Locomotive Servicing L 6d X L 1k	393 82	393 82
6f	Indexed On-Branch Locomotive Servicing L 6e X Input Locomotive Servicing Index	395 00	414 30
7	Transportation Excluding Crew Wages L 4l + L 5c + L 6f	82,227 79	82,640 80
8a	S 410 Railway OE L 414 Transportation Train Ops Fringe Benefits C f Total Expense	568,854,000 00	568,854,000 00
8b	S 410 Railway OE L 419 Total Train Ops C b Salaries & Wages	1,805,857,000 00	1,805,857,000 00
8c	Train Op Fringe Benefit Ratio 8a/8b	0 35291	0 35291
8d	On Branch Crew Wages Input	46,537 00	46,537 00
8e	On Branch Crew Wages Including Fringe Benefits L 8c X L 8d	62,960 42	62,960 42
8f	Total On Branch Crew Wages Including Fringes L 8e X Input Crew Wages Index	63,149 30	66,234 38
9a	S 415 Supporting Schedule Equipment L 2 Locomotive Diesel Locomotive Road C i Accum Deprec as of 12/31 Owned	1,210,963,000	1,210,963,000
9b	S 415 Supporting Schedule Equipment L 2 Locomotive Diesel Locomotive Road C j Accum Deprec as of 12/31 Capitalized Lease	760,594,000	760,594,000
9c	Accumulated Book Depreciation L 9a + L 9b	1,971,557,000	1,971,557,000
9d	Undepreciated Book Value L 2f - L 9c	2,797,351,000	2,797,351,000
9e	Undepreciated Book Ratio L 9d / L 2f	0 58658	0 58658
9f	Undepreciated Replacement Value L 9e X Input Replacement Value	108,517	108,517
9g	Current Cost of Capital	0 184	0 184
9h	Locomotive ROI L 9f X L 9g	19,967 13	19,967 13
9i	Replacement Return per Hour L 9h / L 2w	7 1729	7 1729
9j	Undepreciated Replacement Value L 9e x Input Replacement Value		108 517
9k	Holding Gain Rate Nominal Cost of Capital - Real Cost of Capital		0 045
9l	Annual Holding Gain (Loss) L 9j * L 9k		4,883
9m	Holding Gain per Hour L 9l / L 2w		1 7542
9n	Net ROI per Hour L 9i - L 9m	7 1729	5 4187
9o	On-Branch Locomotive ROI L 9n X L 2y	4,418 51	3,337 92

0096

Frtcar Spreadsheet

FREIGHT CAR COSTS
 (Filename FRTCAR)
 Branch. Chaska Industrial Lead
 Date. November 14, 2007
 By. MND

0097

Covered
Hopper

ON-BRANCH COSTS:
RAILROAD OWNED CARS:

1a	S.710 Inventory of Equipment: L 36-51:Freight Train Cars C.b.Units in Service at Beginning of Year Time-Mileage Cars Base Year Forecast Year	38,553 38,553
1b	S 710:Inventory of Equipment. L.36-51·Freight Train Cars· C k Units in Service at End of Year· Time-Mileage Cars Base Year Forecast Year	38,785 38,785
1c	S 710·Inventory of Equipment L 36-51. Freight Train Cars.C n Units at Close of Year:Leased to Others Base Year Forecast Year	0 0
1d	Average Freight Car Ownership $\{(L\ 1a + L.1b) / 2\} + L.1c$ Base Year Forecast Year	38,669 38,669
2	Equivalent Car Days. (L.1d X 346 days(per ICC Doc.#31358) Base Year Forecast Year	13,379,474 13,379,474
3	Car Days on Foreign Lines: (Car-Hire Receivables Report) Base Year Forecast Year	2,638,984 2,638,984
4	Foreign Car Days on Home Line· (Car-Hire Payables Report) Base Year Forecast Year	2,313,649 2,313,649
5	Total System Car Days On-Line (L 2 - L 3 + L 4) Base Year Forecast Year	13,054,139 13,054,139
6	Total Loaded Car Miles: (S.755 Railroad Operating Statistics L 15-28·Freight Car Miles C b Freight Train)	

FREIGHT CAR COSTS

(Filename:FRTCAR)

Branch Chaska Industrial Lead

Date: November 14, 2007

By MND

0098Covered
Hopper

Base Year	436,360,000
Forecast Year	436,360,000

7 Total Empty Car Miles
(S.755.Railroad Operating Statistics
L.31-44:Railroad Owned & Leased
Cars.Empty.C.b.Freight Train)

Base Year	448,901,000
Forecast Year	448,901,000

8 Total Car Miles
(L.6 + L.7)

Base Year	885,261,000
Forecast Year	885,261,000

9a Repair Cost:
(S.415 Supporting Schedule
Equipment L 6-19 Freight Train
Cars C b Repairs Net Expense)

Index.R-1 Data to Base Year,	1 003
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Base Year	88,924,977
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Index.R-1 Data to Forecast Year	1.052
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Forecast Year	93,269,268
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9b Applicable Repair Amount-Time or Miles:
(L.9a X 50%)

Base Year	44,462,489
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Forecast Year	46,634,634
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10a Current Cost Per Car
(Estimated Replacement Cost:Year
End:per Gary Shaffer-Purchasing)

Base Year	75,000
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Forecast Year	75,000
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10b Total Current Value (Replacement
Cost) (L.1d X L.10a)

Base Year	2,900,175,000
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Forecast Year	2,900,175,000
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11a S.415:Supporting Schedule Equipment
L 6-19 Freight Train Cars
C c:Depreciation:Owned

Base Year	14,328,000
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Forecast Year	14,328,000
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11b S 415 Supporting Schedule Equipment
L.6-19.Freight Train Cars C d
Depreciation:Capitalized Lease

Base Year	18,000
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Forecast Year	18,000
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FREIGHT CAR COSTS

(Filename.FRTCAR)

0099

Branch Chaska Industrial Lead

Date November 14, 2007

By MND

Covered
Hopper

11c	Booked Depreciation: (L 11a + L 11b)	
	Base Year	14,346,000
	Forecast Year	14,346,000
11d	S 415 Supporting Schedule Equipment L 6-19 Freight Train Cars:C g Investment Base as of 12/31 Owned	
	Base Year	425,151,000
	Forecast Year	425,151,000
11e	S.415 Supporting Schedule Equipment L.6-19.Freight Train Cars.C.h. Investment Base as of 12/31 Capitalized Lease	
	Base Year	0
	Forecast Year	0
11f	Booked Base Depreciation (L.11d + L.11e)	
	Base Year	425,151,000
	Forecast Year	425,151,000
11g	Composite Depreciation Rate (L.11c / L.11f)	
	Base Year	0.0337
	Forecast Year	0 0337
11h	Annual Depreciation (at Replacement) (L 10b X L 11g)	
	Base Year	97,735,898
	Forecast Year	97,735,898
12a	S.415 Supporting Schedule Equipment L 6-19 Freight Train Cars:C r Accum Depreciation as of 12/31 Owned	
	Base Year	175,741,000
	Forecast Year	175,741,000
12b	S 415 Supporting Schedule Equipment: L 6-19.Freight Train Cars.C j Accum Depreciation as of 12/31 of 12/31:Capitalized Lease	
	Base Year	0
	Forecast Year	0
12c	Accumulated Book Depreciation (L 12a + L 12b)	
	Base Year	175,741,000
	Forecast Year	175,741,000

FREIGHT CAR COSTS

(Filename FRTCAR)

Branch Chaska Industrial Lead

Date November 14, 2007

By: MND

0100Covered
Hopper

12d	Undepreciated Book Value (L.11f - L.12c)	
	Base Year	249,410,000
	Forecast Year	249,410,000

12e	Undepreciated Book Ratio: (L.12d / L.11f)	
	Base Year	0.58664
	Forecast Year	0.58664

12f	Net Current Value (L.10b X L.12e)	
	Base Year	1,701,358,662
	Forecast Year	1,701,358,662

12g	Nominal Cost of Capital: (As directed in ICC decision 10/02/91)	
	Base Year	0.1840
	Forecast Year	0.1840

12h	Nominal Return on Investment. (L.12f X L.12g)	
	Base Year	313,049,994
	Forecast Year	313,049,994

12i	ROI Cost per Car Day:(w/o Holding Gain) (L.12h / L.5)	
	Base Year	23.98090
	Forecast Year	23.98090

Forecast Year Adjustment to Include Holding Gain.

12j	Net Current Value (L.10b X L.12e)	75,000
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12k	Holding Gain Rate - Deflator Nominal Cost of Capital - Real Cost	0
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12l	Holding Gain on Investment L.12j X L.12k	0
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12m	Holding Gain Per Car Day L.12l / L.5	0.00000
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12n	ROI Cost per Car Day (with Holding Gain) L.12i - L.12m	23.98090
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13 Applicable Depreciation Amount.Time
(L.11h X 60%)

FREIGHT CAR COSTS

(Filename FRTCAR)

Branch Chaska Industrial Lead

Date November 14, 2007

By MND

0101

Covered

Hopper

	Base Year	58,641,539
	Forecast Year	58,641,539
14a	Per Diem Payments: (S 414 Payments for Interchanged Freight Train Cars & Other Freight Carrying Equipment.L.1-16:Car Types C g Gross Amounts Payable Per Diem Basis Time) Index R-1 Data to Base Year	1.003
	Base Year	32,134,114
	Index R-1 Data to Forecast Year	1.052
	Forecast Year	33,703,976
14b	Per Diem Receipts. (S.414 Payments for Interchanged Freight Train Cars & Other Freight Carrying Equipment L 1-16:Car Types C.d Gross Amounts Received Per Diem Basis Time) Index R-1 Data to Base Year	1 003
	Base Year	33,909,424
	Index R-1 Data to Forecast Year	1 052
	Forecast Year	35,566,016
14c	Lease & Rentals Net (S.415 Supporting Schedule.Equipment: L.6-19.Freight Train Cars.C.f: Lease & Rentals (Net)) Index R-1 Data to Base Year	1 003
	Base Year	109,177,553
	Index R-1 Data to Forecast Year	1 052
	Forecast Year	114,511,252
15	Total Cost Per Car Time (L 9b + L 13 + L 14a + L 14c - L 14b) Base Year	210,506,271
	Forecast Year	217,925,385
16	Non-ROI Cost Per Car Day: (L 15 / L 5) Base Year	16.12563
	Forecast Year	16.69397
17a	Applicable Depreciation Amount:Miles (L 11h X 40%) Base Year	39,094,359
	Forecast Year	39,094,359
17b	Mileage Payments. (S 414 Rents for Interchanged Freight	

FREIGHT CAR COSTS

(Filename:FRTCAR)

Branch: Chaska Industrial Lead

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0102Covered
Hopper

Train Cars & Other Freight Carrying
Equipment L 1-16:Car Types C.f:Gross
Amounts Payable.Per Diem Basis:
Mileage

Index:R-1 Data to Base Year	1.003
Base Year	13,015,931
Index.R-1 Data to Forecast Year	1 052
Forecast Year	13,651,804

17c Mileage Receipts.
(S.414:Rents for Interchanged Freight
Train Cars & Other Freight Carrying
Equipment:L 1-16:Car Types:C c:Gross
Amounts Receivable Per Diem Basis.
Mileage

Index.R-1 Data to Base Year	1 003
Base Year	7,136,345
Index:R-1 Data to Forecast Year	1 052
Forecast Year	7,484,980

18 Total Mileage Cost.
(L.9b + L.17a + L 17b - L 17c)
Base Year 89,436,434
Forecast Year 91,895,817

19 Non-ROI Cost Per Car Mile
(L.18 / L 8)
Base Year 0 10103
Forecast Year 0.10381

PRIVATE CARS:

20a Total Mileage Payments
(S.414 Rents for Interchanged Freight
Train Cars & Other Freight Carrying
Equipment L 1-16:Car Types:C e:Gross
Amounts Payable Per Diem Basis.
Private Line Cars

Index.R-1 Data to Base Year	1.003
Base Year	70,572,083
Index R-1 Data to Forecast Year	1 052
Forecast Year	74,019,772

20b Private Loaded Car Miles
(S.755:Railroad Operating Statistics:
L 47-62 Private Line Cars.Loaded
C.b:Freight Train)

Base Year	716,358,000
Forecast Year	716,358,000

FREIGHT CAR COSTS

(Filename FRTCAR)

Branch Chaska Industrial Lead

Date: November 14, 2007

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0103Covered
Hopper

20c	Private Empty Car Miles (S.755.Railroad Operating Statistics: L.65-80 Private Line Cars Empty C.b:Freight Train)	
	Base Year	725,437,000
	Forecast Year	725,437,000
20d	Total Private Car Miles : (L 20b + L.20c)	
	Base Year	1,441,795,000
	Forecast Year	1,441,795,000
20e	Non-ROI Cost Per Car Mile (L 20a / L 20d)	
	Base Year	0 04895
	Forecast Year	0 05134
21a	Empty Return Ratio:RR Cars (L.8 / L 6)	
	Base Year	2.02874
	Forecast Year	2.02874
21b	Empty Return Ratio:PV Cars (L.20d / L 20b)	
	Base Year	2 01267
	Forecast Year	2 01267

SUMMARY OF OFF-BRANCH UNIT COSTS

22a	Repair Variability: D6L101C4	
	Base Year (2005 used)	0 86000
	Forecast Year (2005 used)	0 86000
22b	Station Clerical: E1L109C1	
	Index 2005 URCS to Base Yr	1 018
	Base Year	14.40787
	Index 2005 URCS to Forecast Yr	1 068
	Forecast Year	15.11552
22c	Total Operating Expense: Repairs D6L128C5	
	Base Year (2005 used)	69,275.00000
	Forecast Year (2005 used)	69,275.00000
22d	Freight Car Repairs: D6L101C5	
	Base Year (2005 used)	56,409 00000
	Forecast Year (2005 used)	56,409 00000

FREIGHT CAR COSTS

(Filename FRTCAR)

Branch Chaska Industrial Lead

Date November 14, 2007

By MND

0104Covered
Hopper22e Maintenance of Equipment O/H
(L 22c / L 22d)

Base Year (2005 used) 1.22808

Forecast Year (2005 used) 1 22808

22f General O/H·Opr
D8L607C1

Base Year (2005 used) 1.10498

Forecast Year (2005 used) 1.10498

22g Depreciation Variability:
D6L133C4

Base Year (2005 used) 1.00000

Forecast Year (2005 used) 1.00000

22h General O/H:DRL
D8L608C1

Base Year (2005 used) 1 05763

Forecast Year (2005 used) 1.05763

22i Curr Yr Sem per I/I Sw
E2L1C29

Base Year (2005 used) 1.81019

Forecast Year (2005 used) 1.81019

22j Switch Engine Minutes-Opr Unit Cost
E1L111C1

Index:2005 URCS to Base Yr 1.018

Base Year 4.45995

Index:2005 URCS to Forecast Yr 1.068

Forecast Year 4 67900

22k Switch Engine Minutes-DRL Exp Unit Cost
E1L111C2

Index:2005 URCS to Base Yr 1.018

Base Year 0 56710

Index 2005 URCS to Forecast Yr 1.068

Forecast Year 0.59495

22l I/I Switching Cost per Switch-Non ROI
L.22i X (L.22j + L.22k)

Base Year 9 09992

Forecast Year 9 54685

22m Average Non-ROI Cost per Car Day
{ (L 9b X L 22a X L 22e X L 22f) +
(L 13 X L 22g X L 22h) +
(L 14a X L 22h) -
(L 14b X L 22h) +
(L 14c X L 22h) } / L.5

FREIGHT CAR COSTS

(Filename FRTCAR)

Branch: Chaska Industrial Lead

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By: MND

0105

Covered

Hopper

		Base Year	17.42755
		Forecast Year	18.04684
22n	Terminal Special Services E1L106C1		
	Index:2005 URCS to Base Yr	1 018	
	Base Year	4.98131	
	Index 2005 URCS to Forecast Yr	1.068	
	Forecast Year	5 22597	
22o	Modified Terminal.Non-ROI-RR Cars L.22n + L 22b + [{(L 22m X 2) + L 22l} X L.21a]		
	Base Year	108.56249	
	Forecast Year	112 93426	
23a	O/D Switch Factor E2L1C8		
	Base Year (2005 used)	2 00000	
	Forecast Year (2005 used)	2 00000	
23b	Curr Yr Sem per Industry Sw E2L1C25		
	Base Year (2005 used)	7 24077	
	Forecast Year (2005 used)	7 24077	
23c	O/D Switching Non-ROI L.23b X (L.22j + L.22k)		
	Base Year	36.39971	
	Forecast Year	38.18746	
23d	CD per L&UL Industry Sw E2L1C14		
	Base Year (2005 used)	2.00000	
	Forecast Year (2005 used)	2.00000	
23e	Car Days O/D L 23d X L.23a		
	Base Year	4 00000	
	Forecast Year	4 00000	
23f	Normal Terminal:Non-ROI-RR Cars (L 23a X L.23c) + L 22b + (L 23e X L 22m)		
	Base Year	156 91749	
	Forecast Year	163.67780	
24a	Car Days per I/C Switch E2L1C10		
	Base Year (2005 used)	0 50000	
	Forecast Year (2005 used)	0 50000	

FREIGHT CAR COSTS

(Filename FRTCAR)

Branch Chaska Industrial Lead

Date November 14, 2007

By. MND

0106

Covered
Hopper

24b	Curr Yr Sem per Interch Sw E2L1C26	
	Base Year (2005 used)	3 98242
	Forecast Year (2005 used)	3 98242
24c	I/C Switch Cost Non-ROI L 24b X (L.22j + L.22k)	
	Base Year	20.01982
	Forecast Year	21 00308
24d	Empty Return Ratio E2L1C2	
	Base Year (2005 used)	2.01430
	Forecast Year (2005 used)	2.01430
24e	I/C Terminal.Non-ROI-RR Cars {(L 24a X L 22m) + L.24c} X L 24d	
	Base Year	57 87808
	Forecast Year	60.48238
25a	Cost Per GTM.Operating E1L101C1	
	Index:2005 URCS to Base Yr	1.018
	Base Year	0.00172623
	Index 2005 URCS to Forecast Yr	1 068
	Forecast Year	0.00181102
25b	Cost Per GTM:Deprec Rents & Leases E1L101C2	
	Index.2005 URCS to Base Yr	1 018
	Base Year	0 00063155
	Index 2005 URCS to Forecast Yr	1 068
	Forecast Year	0 00066257
25c	Weighted Average Train Tons-Off-Branch Way Thru Spreadsheet L.12	
	Base Year	5,274 2
	Forecast Year	5,274 2
25d	Cost Per LUM Operating: E1L105C1	
	Index:2005 URCS to Base Yr	1 018
	Base Year	3 82547
	Index:2005 URCS to Forecast Yr	1 068
	Forecast Year	4 01336
25e	Cost Per LUM:Deprec Rents & Leases E1L105C2	
	Index.2005 URCS to Base Yr	1 018
	Base Year	0 67969

FREIGHT CAR COSTS

(Filename: FRTCAR)

Branch: Chaska Industrial Lead

Date: November 14, 2007

By MND

Covered
Hopper

0107

Index 2005 URCS to Forecast Yr	1.068
Forecast Year	0 71307

25f Wghtd Ave Locomotives per Train-Off-Branch:
Way Thru Spreadsheet L 15
Base Year (2005 used) 2.67409
Forecast Year (2005 used) 2 67409

25g Crew Wages Per Train Mile.
E1L104C1
Index:2005 URCS to Base Yr 1.018
Base Year 7.87695
Index:2005 URCS to Forecast Yr 1.068
Forecast Year 8.26383

25h Other Cost per Train Mile.Operating
E1L103C1
Index 2005 URCS to Base Yr 1 018
Base Year 0.62043
Index 2005 URCS to Forecast Yr 1.068
Forecast Year 0.65090

25i Other Cost per Train Mile:Depreciation
Rents & Lease:
E1L103C2
Index:2005 URCS to Base Yr 1.018
Base Year 0 00316
Index:2005 URCS to Forecast Yr 1 068
Forecast Year 0 00331

25j Average Train GTM Non-ROI
[{(L25a + L25b) X L 25c} +
{(L25d + L25e) X L 25f} + L.25g +
{(L.25h + L 25i) X 1}] / L 25c
Base Year 0.00625
Forecast Year 0.00656

26a Ave Mile Btw I/I Sw
E2L1C23
Base Year (2005 used) 200
Forecast Year (2005 used) 200

26b I/I Switching per Car Mile Non-ROI
L.22I / L 26a
Base Year 0 04550
Forecast Year 0 04773

26c Running Miles Per Day
E2L1C22
Base Year (2005 used) 705 43220
Forecast Year (2005 used) 705.43220

FREIGHT CAR COSTS

(Filename FRTCAR)

Branch: Chaska Industrial Lead

Date: November 14, 2007

By: MND

0108Covered
Hopper

26d	Car Days Per I/I Switch: E2L1C13	
	Base Year (2005 used)	0 50000
	Forecast Year (2005 used)	0.50000
26e	Tare Tons Per Car E2L1C1	
	Base Year (2005 used)	31.40000
	Forecast Year (2005 used)	31 40000
26f	Average Non-ROI Cost per Car Mile { (L.9b X L 22a X L 22e X L 22f) + (L 17a X L.22g X L 22h) + (L 17b X L.22f) - (L.17c X L 22f) } / L 8	
	Base Year	0.11266
	Forecast Year	0.11588
26g	Car Mile Cost Average Non-ROI Cost per Car Mile. RR [L 26b + L 26f + (L 22m / 26c) + {L.26d X (L 22m / 200)} + (L 26e X L 25j)] X L 24d	
	Base Year	0.85141
	Forecast Year	0.88688
27	Modified Terminal Non-ROI-Pvt Cars {L.22l X L 21b} + L 22b + L 22n	
	Base Year	37.70432
	Forecast Year	39 55615
28	Normal Terminal Non-ROI-Pvt Cars (L.23a X L 23c) + L 22b	
	Base Year	87.20729
	Forecast Year	91 49044
29	I/C Terminal Non-ROI-Pvt Cars L.24c X L 21b	
	Base Year	40 29329
	Forecast Year	42.27227
30	Car Mile Costs Non-ROI-Pvt Cars L 20e + [{L 26b + (L 26e X L 25j)} X L 21b]	
	Base Year	0 53551
	Forecast Year	0 56198
31a	Switch Engine Minutes-ROI Exp Unit Cost E1L111C3	
	Base Year (2005 used)	1.93530

FREIGHT CAR COSTS

(Filename:FRTCAR)

Branch Chaska Industrial Lead

Date: November 14, 2007

By: MND

0109Covered
Hopper

Forecast Year (2005 used)

1.93530

31b I/I Switching-ROI
L.22i X L 31a

Base Year

3.50326

Forecast Year

3.50326

31c Modified Terminal.ROI-RR Cars
{(2 X L 12i) + L.31b} X L.24d
Forecast Yr sub L.12n for L.12i

Base Year

103.66607

Forecast Year

103.66607

32a O/D Switching-ROI
L 23b X L 31a

Base Year

14.01306

Forecast Year

14.01306

32b Normal Terminal.ROI-RR Cars
{(L.23a X L 32a) +
{ (L.23d X L.23a) X L.12i }
Forecast Yr sub L 12n for L 12i

Base Year

123.94972

Forecast Year

123.94972

33a I/C Switch Cost-ROI
L 24b X L 31a

Base Year

7.70718

Forecast Year

7.70718

33b I/C Terminal ROI-RR Cars
{ (L 24a X L 12i) + L 33a } X L 24d
Forecast Yr sub L.12n for L.12i

Base Year

39 67694

Forecast Year

39 67694

34a Cost per GTM-ROI
E1L101C3

Base Year (2005 used)

0.00112249

Forecast Year (2005 used)

0.00112249

34b Cost per LUM-ROI
E1L105C3

Base Year (2005 used)

0 41799

Forecast Year (2005 used)

0 41799

34c Other Cost per Train Mile-ROI
E1L103C3

Base Year (2005 used)

0 00322

Forecast Year (2005 used)

0.00322

FREIGHT CAR COSTS

(Filename FRTCAR)

Branch: Chaska Industrial Lead

Date November 14, 2007

By MND

0110

Covered
Hopper

34d Ton Mile-ROI.
{ (L 34a X L.25c) + (L.34b X L 25f) +
(L 34c X 1) } / L.25c

Base Year 0 00134
Forecast Year 0.00134

35a I/I Switch per Car Mile-ROI
(L 22i X L 31a) / L.26a

Base Year 0.01752
Forecast Year 0 01752

35b Car Mile Cost.
Average ROI Cost per Car Mile RR
[L.35a +(L 12i / L.26c) + {(L.26d X
L.12i) / 200} + [L.26e X {(L.34a X
L 25c) + (L 34b X L 25f) + (L 34c X
1) } / L.25c]] X L.24d
Forecast Yr sub L.12n for L.12i

Base Year 0 30897
Forecast Year 0 30897

36 Modified Terminal ROI-Pvt Cars
L.31b X L.21b

Base Year 7 05091
Forecast Year 7 05091

37 Normal Terminal ROI-Pvt Cars
(L.23a X L.32a)

Base Year 28.02612
Forecast Year 28 02612

38 I/C Terminal ROI-Pvt Cars
L 33a X L 21b

Base Year 15.51201
Forecast Year 15.51201

39 Ton Mile:ROI-Pvt Cars
L.34d

Base Year 0 00134
Forecast Year 0 00134

40 Car Mile Cost:ROI-Pvt Cars
[L 35a + [L.26e X {(L 34a X L 25c) +
(L 34b X L 25f) + (L 34c X 1) } /
L 25c]] X L 21b

Base Year 0 11963
Forecast Year 0.11963

Traffic Spreadsheet

Traffic Detail

Branch: Chaska Industrial Lead , Merriam to Chaska, MN

Date: 11/8/2007

By: Mike Drelicharz

0111

(a) Car Type Base Year	(b) Owner	(c) Class	(d) Units	(e) Local Tons	(f) Total Tons (tons/car X d) or plug	(g) On-Branch RT Miles (RT Miles /unit X d)	(h) Off-B Loaded Miles (1 way Off- B miles)	(i) Off-B Total Loaded Miles (h X d)	(j) GTM's ((f X i)/d)
COVHOP	RR	Local	1	99	99	11	171	171	16,929
			1	99	99	11	515	515	50,985
			1	99	99	11	580	580	57,420
			1	100	100	11	342	342	34,200
			1	99	99	11	1,014	1,014	100,386
		TOTAL RRL	5	496	496	56		2,622	259,920
COVHOP	RR	Interchanged	4	241	241	45	45	180	10,845
			709	67,478	67,478	7,941	54	38,286	3,643,812
			10	655	655	112	454	4,540	297,370
		TOTAL RRX	723	68,374	68,374	8,098		43,006	3,952,027
		TOTAL RR	728	68,870	68,870	8,154		45,628	4,211,947
		TOTAL LOCAL	5	496	496	56		2,622	259,920
COVHOP	PVT	Interchanged	36	3,535	3,535	403	54	1,944	190,890
		TOTAL PVTX	36	3,535	3,535	403		1,944	190,890
		TOTAL PVT	36	3,535	3,535	403		1,944	190,890
COVHOP		TOTAL	764	72,405	72,405	8,557		47,572	4,402,837
TOTAL BASE YEAR			764	72,405	72,405	8,557		47,572	4,402,837

Traffic Detail

Branch Chaska Industrial Lead , Merriam to Chaska, MN
 Date 11/8/2007
 By. Mike Drelicharz

0112

(a) Car Type	(b) Owner	(c) Class	(d) Units	(e) Local Tons	(f) Total Tons (tons/car X d) or plug	(g) On-Branch RT Miles (RT Miles /unit X d)	(h) Off-B Loaded Miles (1 way Off- B miles)	(i) Off-B Total Loaded Miles (h X d)	(j) GTM's ((f X i)/d)		
FORECAST YEAR											
COVHOP	RR	Local	1	99	99	11	171	171	16,929		
			1	99	99	11	515	515	50,985		
			1	99	99	11	580	580	57,420		
			1	100	100	11	342	342	34,200		
			1	99	99	11	1,014	1,014	100,386		
		TOTAL RRL	5	496	496	56		2,622	259,920		
		COVHOP	RR	Interchanged	4	241	241	45	45	180	10,845
					709	67,478	67,478	7,941	54	38,286	3,643,812
					10	655	655	112	454	4,540	297,370
				TOTAL RRX	723	68,374	68,374	8,098		43,006	3,952,027
TOTAL RR	728			68,870	68,870	8,154		45,628	4,211,947		
COVHOP	PVT	Interchanged	36	3,535	3,535	403	54	1,944	190,890		
		TOTAL PVTX	36	3,535	3,535	403		1,944	190,890		
		TOTAL PVT	36	3,535	3,535	403		1,944	190,890		
		COVHOP TOTAL	764	72,405	72,405	8,557		47,572	4,402,837		
TOTAL FORECAST YEAR			764	72,405	72,405	8,557		47,572	4,402,837		

LossDam Spreadsheet

	FORECAST YEAR				
	2005 URCS \$/ TON	2005 TO FORECAST YEAR INDEX	FORECAST YEAR \$/ TON	FORECAST YEAR TONS	FORECAST YEAR LOSS & DAMAGE
<u>STCC</u>					
01	0 06871	1 06800	0 07338	0	\$0
0113	0.03703	1 06800	0 03955	0	0
01195	3.07708	1 06800	3.28632	0	0
012	0.50746	1 06800	0.54197	0	0
013	0.42785	1 06800	0.45694	0	0
10	0.15080	1 06800	0.16105	0	0
11	0.00356	1 06800	0.00380	0	0
14	0.00537	1 06800	0.00574	0	0
20	0.11741	1.06800	0.12539	0	0
2011	0.00000	1 06800	0.00000	0	0
202	0.11921	1 06800	0.12732	0	0
203	0 62026	1 06800	0.66244	0	0
204	0.06120	1.06800	0 06536	0	0
2041	0.05720	1 06800	0 06109	0	0
2042	0 03759	1 06800	0 04015	0	0
2043	0 15248	1 06800	0 16285	0	0
2044	0 27671	1.06800	0 29553	0	0
2045	0 59551	1.06800	0.63600	0	0
2046	0 03341	1.06800	0.03568	0	0
2062	0 15413	1.06800	0.16461	72,405	11,919
20821	0 32655	1.06800	0 34876	0	0
2084	0 04297	1 06800	0.04589	0	0
20851	0.14260	1.06800	0.15230	0	0
209	0 04204	1 06800	0.04490	0	0
21	32.38171	1.06800	34 58367	0	0
24	0.07879	1 06800	0.08415	0	0
2421	0.10262	1 06800	0.10960	0	0
2432	0.13331	1 06800	0.14238	0	0
25	0.55942	1.06800	0 59746	0	0
26	0 24454	1.06800	0 26117	0	0
26211	0 21666	1.06800	0 23139	0	0
26213	0 53958	1.06800	0.57627	0	0
263	0 21874	1.06800	0 23361	0	0
264	0 17266	1.06800	0 18440	0	0
26471	0 14384	1 06800	0 15362	0	0
28	0 05794	1 06800	0 06188	0	0
281	0.01062	1 06800	0 01134	0	0
2812	0.02957	1 06800	0 03158	0	0
282	0 15450	1 06800	0.16501	0	0
289	0 10704	1 06800	0.11432	0	0
29	0 01084	1 06800	0.01158	0	0
30	0.10553	1.06800	0 11271	0	0
301	0 14101	1.06800	0 15060	0	0
32	0 02926	1.06800	0.03125	0	0
321	1 23246	1 06800	1.31627	0	0
3295	0 02464	1 06800	0.02632	0	0

	FORECAST YEAR				
	2005 URCS \$/ TON	2005 TO FORECAST YEAR INDEX	FORECAST YEAR \$/ TON	FORECAST YEAR TONS	FORECAST YEAR LOSS & DAMAGE
<u>STCC</u>					
33	0.06814	1.06800	0.07277	0	0
3312	0 06708	1.06800	0.07164	0	0
3352	0 35333	1 06800	0.37736	0	0
34	0 31957	1 06800	0.34130	0	0
344	1 14133	1.06800	1.21894	0	0
35	0 87969	1 06800	0.93951	0	0
351	0.00000	1.06800	0.00000	0	0
352	0 41471	1.06800	0 44291	0	0
353	1.08913	1.06800	1.16319	0	0
36	0 70097	1 06800	0.74864	0	0
361	5 48366	1.06800	5.85655	0	0
363	0 23194	1 06800	0.24771	0	0
365	5 51408	1.06800	5.88904	0	0
37	1 64610	1 06800	1.75803	0	0
37111	2 68338	1 06800	2 86585	0	0
37112	1 86561	1 06800	1.99247	0	0
3714	0 28111	1 06800	0.30023	0	0
44	0 06236	1 06800	0.06660	0	0
45	0.15882	1 06800	0.16962	0	0
46	0 08579	1 06800	0.09162	0	0
461	0 08448	1 06800	0.09022	0	0
48	0 00866	1 06800	0.00925	0	0
OTHER	0.07217	1.06800	0.07708	0	0
Total Loss & Damage Forecast Year				72,405	\$11,919

NLV Track Structure and Real Estate

NET LIQUIDATION VALUE OF TRACK & BRIDGES**Chaska Ind. Ld. MP 33.0 Chaska, to MP 38.6, near Merriam, MN.**

16-Nov-07

M P 33.00 TO 38.60 = 5.60 TRACK MILES
 MISCELLANEOUS SIDINGS = 0.34 TRACK MILES
5.94 TOTAL T.M.S

TRACK COMPONENTS -

Rail Weight	RAIL		OTM	SWITCHES			Net Tons	NET TONS		
	Track Miles	Net Tons	Net Tons	No. 7	No 8.5 & No. 9	No 10				
136#		0.00	0.00				0.00	0.00		
133#		0.00	0.00				0.00	0.00		
132#		0.00	0.00				0.00	0.00		
131#		0.00	0.00				0.00	0.00		
118#		0.00	0.00				0.00	0.00		
115#	5.60	1133.44	343.36		1		4.87	1481.67		
113#		0.00	0.00				0.00	0.00		
112#		0.00	0.00				0.00	0.00		
100#		0.00	0.00				0.00	0.00		
90#	0.34	53.86	13.29	2			5.99	173.14		
85#		0.00	0.00				0.00	0.00		
80#		0.00	0.00				0.00	0.00		
72#		0.00	0.00				0.00	0.00		
Total.	5.94	1187.30	356.65				10.86	1554.81		

TIES

SWITCH TIES 145 EA
 CROSS TIES 17692 EA
TOTAL TIES 17837 EA

**CURRENT
MARKET VALUE**

VALUE OF TRACK COMPONENTS

MAIN & SIDE TRACKS	377.73 NT x	\$350.00 /N.T. =	\$132,206	Reroll Rail
MAIN & SIDE TRACKS.	129.50 NT x	\$250.00 /N.T. =	\$32,375	Scrap Rail
MAIN & SIDE TRACKS.	680.06 NT x	\$550.00 /N.T. =	\$374,035	No 3 Qual Rail
OTM & Turnouts:	367.51 NT x	\$270.00 /N.T. =	\$99,229	Scrap Material
SWITCH & CROSS TIES	892 ea x	\$9.00 ea. =	\$8,027	Reusable Ties
SWITCH & CROSS TIES	2,676 ea x	\$5.00 ea. =	\$13,378	Landscape #1 Ties
SWITCH & CROSS TIES	3,567 ea x	\$3.00 ea. =	\$10,702	Landscape #2 Ties
SWITCH & CROSS TIES	10,702 ea x	\$0.00 ea. =	\$0	Scrap Ties

TOTAL TRACK VALUE \$668,952**BRIDGE VALUE \$18,740****TOTAL VALUE \$688,692****REMOVAL COSTS**

TRACK REMOVAL 5.94 T M s @ \$8,500 Per Mile \$50,522
 SWITCH & CROSSTIES 17837 Ea. @ \$3.00 Ea. \$53,511
 BRIDGE REMOVAL COSTS 1 Lot @ \$274,800.00 Per Lot \$274,800
 RD CROSSING REMOVAL 134 Foot @ \$85.00 Per Ft. \$11,390

TOTAL REMOVAL \$390,223**NET LIQUIDATION VALUE****\$298,469**

11/16/2007		Market Value Land - Union Pacific Railroad (ex C&NW ex The Minneapolis & St. Louis RR) Chaska Industrial Lead; MP 38.60 Merriam Junction, Scott County & MP 33.0 east side Chaska, Carver County, Minnesota																					
Property Description (1)							Value Segment (2)				Across the Fence (3)			Non-Corridor Highest & Best Use (4)				Adjustment to Across the Fence Value			Value (8)		
M&SL	LMS ID	Map Pfix	Map Sfx	Parcel #	Pcl Sfx	Acres N	Acres R	No.	North East Extent	South West Extent	Land Use	Unit \$ SF	Segment Value	Stand-alone	Combine	Parcel (5)	Physical (6)	Economic (7)	Unit \$ SF	Aggregate	% ATF	% Total	
0601B	123653	004		0113		1 0700					residential parcels	\$3 00	\$139,828	0%	100%	-50%	-50%	0%	\$0 75	\$34,957	25 0%	2 0%	
0601B	123654	004		0114		3 8300						\$3 00	\$500,504	33%	67%	-50%	-50%	0%	\$1 00	\$168,418	33 3%	9 5%	
0601B	123655	004		0115		0 0826						\$5 00	\$17,990	0%	100%	-50%	-50%	0%	\$1 25	\$4,498	25 0%	0 3%	
0601B	123656	004		0116			0 1286					\$5 00	\$28,009	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%	
0601B	123657	004		0117			0 0588					\$5 00	\$12,807	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%	
0601B	123658	004		0118			0 5060					\$5 00	\$110,207	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%	
0601B	123659	004		0119			0 0025					\$5 00	\$545	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%	
0601B	123660	004		0120			2 7300					\$5 00	\$584,594	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%	
0601B	123661	004		0121		3 7700						\$3 00	\$492,864	0%	100%	-33%	0%	0%	\$2 01	\$330,085	67 0%	18 9%	
0601B	123662	004		0122			0 0191					\$12 00	\$9,984	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%	
0601B	123663	004		0124			0 0661				\$12 00	\$34,552	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%		
0601B	123847	S	004	0126			0 0073				\$12 00	\$3,816	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%		
0601B	123848	S	004	0127			0 0331				\$12 00	\$17,302	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%		
0601B	123849	S	004	0128			0 0643				\$12 00	\$33,611	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%		
0601B	123850	S	004	0129			0 0496				\$12 00	\$25,927	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%		
0601B	123851	S	004	0130			0 0073				\$12 00	\$3,816	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%		
0601B	123852	S	004	0131			0 0533				\$12 00	\$27,861	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%		
0601B	123853	S	004	0132			0 0323				\$12 00	\$16,864	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%		
0601B	123854	S	004	0133			0 5923				\$12 00	\$309,607	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%		
0601B	123855	S	004	0134		0 7500					\$12 00	\$392,040	100%	0%	0%	-10%	-15%	\$9 18	\$299,911	76 5%	17 1%		
0601B	123856	S	004	0135			0 2938				west of N Pine, Chaska	\$12 00	\$153,575	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%	
0601B	123857	S	004	0136		0 0008						\$12 00	\$418	0%	100%	-50%	0%	0%	\$6 00	\$209	50 0%	0 0%	
0601B	123858	S	004	0137		0 1386						\$12 00	\$72,449	0%	100%	-50%	0%	0%	\$6 00	\$36,224	50 0%	2 1%	
0601B	123859	S	004	0139			0 0144					\$12 00	\$7,527	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%	
0601B	123860	S	004	0140		0 0822						\$12 00	\$42,968	0%	100%	-50%	-25%	0%	\$4 50	\$16,113	37 5%	0 9%	
0601B	123861	S	004	0141		0 1479						\$12 00	\$77,310	0%	100%	-50%	-25%	0%	\$4 50	\$28,991	37 5%	1 7%	
0601B	123862	S	004	0142			0 0478					\$12 00	\$24,986	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%	
0601B	123863	S	004	0144		0 2021						\$12 00	\$105,642	100%	0%	0%	-5%	-33%	\$7 64	\$67,241	63 7%	3 8%	
0601B	123864	S	004	0145			0 0172					\$12 00	\$8,991	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%	
0601B	123865	S	004	0147		0 1283						\$9 00	\$50,289	100%	0%	0%	-5%	-33%	\$5 73	\$32,015	63 7%	1 8%	

Property Description (1)										Value Segment (2)			Across the Fence (3)				Non-Corridor Highest & Best Use (4)				Adjustment to Across the Fence Value			Value (8)		
M&SL	LMS ID	Map Pfx	Map #	Map Sfx	Parcel #	Pcl Sfx	Acres N	Acres R	No	North East Extent	South West Extent	Land Use	Unit \$ SF	Segment Value	Stand-alone	Com-bine	Parcel (5)	Physical (6)	Econo-mic (7)	Unit \$ SF	Aggregate	% ATF	% Total			
0601B	123866	S	004		0148			0 0588	4	West of N Pine, Chaska	W 1st Street, Chaska	residential acreage	\$9 00	\$23,052	0%	100%	0%	0%	-100%	\$0 00	\$0	0 0%	0 0%			
0601B	123867	S	004		0149			0 0370					\$9 00	\$14,505	0%	100%	0%	0%	0%	-100%	\$0 00	\$0	0 0%	\$0	0 0%	0 0%
0601B	123868	S	004		0150			0 2277					\$9 00	\$89,268	0%	100%	0%	0%	0%	-100%	\$0 00	\$0	0 0%	\$0	0 0%	0 0%
0601B	123869	S	004		0151		0 0781						\$9 00	\$30,618	100%	0%	0%	-5%	-25%	\$6 41	\$21,816	71 3%	\$0 00	\$21,816	71 3%	1 2%
0601B	123870	S	004		0154		0 0206						\$9 00	\$8,076	0%	100%	0%	0%	0%	-100%	\$0 00	\$0	0 0%	\$0	0 0%	0 0%
0601B	123871	S	004		0155		0 1781						\$9 00	\$69,822	100%	0%	0%	-5%	-35%	\$5 56	\$43,115	61 8%	\$5 56	\$43,115	61 8%	2 5%
0601B	123872	S	004		0157			0 0808					\$3 00	\$10,559	0%	100%	0%	0%	0%	-100%	\$0 00	\$0	0 0%	\$0	0 0%	0 0%
0601B	123873	S	004		0158		0 1265						\$3 00	\$16,531	100%	0%	-75%	-5%	-25%	\$2 14	\$11,778	71 3%	\$2 14	\$11,778	71 3%	0 7%
0601B	123874	S	004		0159		0 0432						\$3 00	\$5,645	100%	0%	-75%	-5%	-25%	\$2 14	\$4,022	71 3%	\$2 14	\$4,022	71 3%	0 2%
0601B	123875	S	004		0160			0 0110					\$3 00	\$1,437	0%	100%	0%	0%	0%	-100%	\$0 00	\$0	0 0%	\$0	0 0%	0 0%
0601B	123876	S	004		0161		0 1768						\$3 00	\$23,104	0%	100%	-75%	0%	0%	0%	-100%	\$0 75	\$5,776	25 0%	0 3%	0 3%
0601B	123877	S	004		0162			0 0969					\$3 00	\$12,663	0%	100%	0%	0%	0%	-100%	\$0 00	\$0	0 0%	\$0	0 0%	0 0%
0601B	123878	S	004		0163		1 4600		\$3 00	\$190,793	100%	0%	-75%	-5%	-25%	\$2 14	\$135,940	71 3%	\$2 14	\$135,940	71 3%	7 8%				
0601B	123879	S	004		0164		0 5000		\$3 00	\$65,340	100%	0%	-75%	-5%	-25%	\$2 14	\$46,555	71 3%	\$2 14	\$46,555	71 3%	2 7%				
0601B	123880	S	004		0166		2 1400		\$3 00	\$279,655	50%	50%	-75%	-5%	-25%	\$1 34	\$124,534	44 5%	\$1 34	\$124,534	44 5%	7 1%				
0601B	123880		004	005	0243			0 1515	5	W 1st Street, Chaska	6th Street East, Carver	unimproved acreage	\$4,000	\$606	0%	100%	0%	0%	-100%	\$0	\$0	0 0%	0 0%			
0601B	123884		005	004	0125			0 0771					\$4,000	\$308	0%	100%	0%	0%	0%	-100%	\$0	\$0	0 0%	\$0	0 0%	0 0%
0601B	123865		005		0167		4 0800						\$4,000	\$16,240	0%	100%	-15%	0%	0%	0%	-100%	\$3,400	\$13,804	85 0%	0 8%	
0601B	123866		005		0168		1 2900						\$4,000	\$5,160	0%	100%	-15%	0%	0%	0%	0%	\$3,400	\$4,386	85 0%	0 3%	
0601B	123867		005		0169		2 5800						\$4,000	\$10,320	0%	100%	-15%	0%	0%	0%	0%	\$3,400	\$8,772	85 0%	0 5%	
0601B	123868		005		0170		3 2600						\$4,000	\$13,040	0%	100%	-15%	0%	0%	0%	0%	\$3,400	\$11 084	85 0%	0 6%	

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Property Description (1)										Value Segment (2)		Across the Fence (3)			Non-Corridor Highest & Best Use (4)			Adjustment to Across the Fence Value			Value (8)		
M&SL	LMS ID	Map Pfx	Map #	Map Sfx	Parcel #	Pcl Sfx	Acres N	Acres R	No.	North East Extent	South West Extent	Land Use	Unit \$ SF	Segment Value	Stand alone	Com-bine	Parcel (5)	Physical (6)	Economic (7)	Unit \$ SF	Aggregate	% ATF	% Total
0601B	123882	S	005	A	0171			0.2410					\$1.00	\$10,498	0%	100%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123883	S	005	A	0173			0.0294					\$1.00	\$1,281	0%	100%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123884	S	005	A	0174		0.0781						\$1.00	\$3,402	0%	100%	-50%	0%	0%	\$0.50	\$1,701	50.0%	0.1%
0601B	123885	S	005	A	0175			0.0551					\$1.00	\$2,400	0%	100%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123886	S	005	A	0176	A	0.3334						\$1.00	\$14,523	100%	0%	0%	-50%	-25%	\$0.38	\$5,446	37.5%	0.3%
0601B	123887	S	005	A	0176		0.0816						\$1.00	\$3,554	100%	0%	0%	-50%	-25%	\$0.38	\$1,333	37.5%	0.1%
0601B	123888	S	005	A	0177			0.0413					\$1.00	\$1,799	0%	100%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123889	S	005	A	0178			0.0413					\$1.00	\$1,799	0%	100%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123890	S	005	A	0179	A	0.0041						\$1.00	\$179	100%	0%	0%	-35%	-20%	\$0.52	\$93	52.0%	0.0%
0601B	123891	S	005	A	0179		0.1431						\$1.00	\$6,233	100%	0%	0%	-35%	-20%	\$0.52	\$3,241	52.0%	0.2%
0601B	123892	S	005	A	0180		0.1472						\$1.00	\$6,412	100%	0%	0%	-35%	-20%	\$0.52	\$3,334	52.0%	0.2%
0601B	123893	S	005	A	0181		0.1472						\$1.00	\$6,412	100%	0%	0%	-35%	-20%	\$0.52	\$3,334	52.0%	0.2%
0601B	123894	S	005	A	0182			0.0736					\$1.00	\$3,206	0%	100%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123895	S	005	A	0183		0.0736						\$1.00	\$3,206	100%	0%	0%	-15%	-20%	\$0.68	\$2,180	68.0%	0.1%
0601B	123896	S	005	A	0184		0.1472						\$1.00	\$6,412	100%	0%	0%	-15%	-20%	\$0.68	\$4,360	68.0%	0.2%
0601B	123897	S	005	A	0185		0.2066						\$1.00	\$8,999	100%	0%	0%	-15%	-20%	\$0.68	\$6,120	68.0%	0.3%
0601B	123898	S	005	A	0186		0.1472						\$1.00	\$6,412	100%	0%	0%	-15%	-20%	\$0.68	\$4,360	68.0%	0.2%
0601B	123899	S	005	A	0187		0.0736						\$1.00	\$3,206	100%	0%	0%	-15%	-20%	\$0.68	\$2,180	68.0%	0.1%
0601B	123900	S	005	A	0188			0.4692					\$1.00	\$20,438	0%	100%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123901	S	005	A	0189		0.2610						\$1.00	\$11,369	0%	100%	-50%	0%	0%	\$0.50	\$5,685	50.0%	0.3%
0601B	123902	S	005	A	0190			0.0007					\$1.00	\$30	0%	100%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123903	S	005	A	0191			0.0517					\$1.00	\$2,252	0%	100%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123904	S	005	A	0192			0.0103					\$1.00	\$449	0%	100%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123905	S	005	A	0193		0.1483						\$1.00	\$6,460	100%	0%	0%	-15%	-20%	\$0.68	\$4,393	68.0%	0.3%
0601B	123906	S	005	A	0194		0.0957						\$1.00	\$4,169	100%	0%	0%	-15%	-20%	\$0.68	\$2,835	68.0%	0.2%
0601B	123907	S	005	A	0195		0.1483						\$1.00	\$6,460	100%	0%	0%	-15%	-20%	\$0.68	\$4,393	68.0%	0.3%
0601B	123908	S	005	A	0196		0.1483						\$1.00	\$6,460	100%	0%	0%	-15%	-20%	\$0.68	\$4,393	68.0%	0.3%
0601B	123909	S	005	A	0197		0.0742						\$1.00	\$3,232	100%	0%	0%	-15%	-20%	\$0.68	\$2,198	68.0%	0.1%
0601B	123910	S	005	A	0198			0.1730					\$1.00	\$7,536	0%	100%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123911	S	005	A	0199		0.0587						\$1.00	\$2,557	0%	100%	-50%	0%	0%	\$0.50	\$1,278	50.0%	0.1%
0601B	123912	S	005	A	0200			0.0185					\$1.00	\$719	0%	100%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123913	S	005	A	0201			0.0981					\$1.00	\$4,273	0%	100%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%

6th Street East; Carver
north bank Minnesota River
commercial parcels

Property Description (1)										Value Segment (2)		Across the Fence (3)			Non-Corridor Highest & Best Use (4)		Adjustment to Across the Fence Value			Value (8)							
M&SL	LMS ID	Map Pfx	Map #	Map Sfx	Parcel #	Pcl Sfx	Acres N	Acres R	No.	North East Extent	South West Extent	Land Use	Unit \$ SF	Segment Value	Stand-alone	Com-bine	Parcel (5)	Physical (6)	Economic (7)	Unit \$ SF	Aggregate	% ATF	% Total				
0601B	123914	S	005	A	0202		0.0779		7	east/north bank Minnesota River	west/south bank Minn River @ bridge No 25	recreation river frontage	\$1.00	\$3,393	100%	0%	0%	-15%	-20%	\$0.68	\$2,307	68.0%	0.1%				
0601B	123915	S	005	A	0203		0.0124						\$1.00	\$540	100%	0%	0%	-15%	-20%	\$0.68	\$367	68.0%	0.0%				
0601B	123916	S	005	A	0206			0.0294						\$1.00	\$1,281	0%	100%	0%	100%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%	
0601B	123917	S	005	A	0208		0.0059							\$1.00	\$257	100%	0%	0%	100%	0%	0%	-15%	-20%	\$0.68	\$175	68.0%	0.0%
0601B	123918	S	005	A	0209		0.0811							\$1.00	\$3,533	100%	0%	0%	100%	0%	0%	-15%	-20%	\$0.68	\$2,402	68.0%	0.1%
0601B	123919	S	005	A	0210		0.2208							\$1.00	\$9,618	100%	0%	0%	100%	0%	0%	-15%	-20%	\$0.68	\$6,540	68.0%	0.4%
0601B	123920	S	005	A	0211		0.1488							\$1.00	\$6,482	100%	0%	0%	100%	0%	0%	-15%	-20%	\$0.68	\$4,408	68.0%	0.3%
0601B	123921	S	005	A	0213			0.1043						\$1.00	\$4,543	0%	100%	0%	100%	0%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123922	S	005	A	0213		0.0000							\$1.00	\$0	0%	100%	0%	100%	0%	-50%	0%	0%	\$0.50	\$0	50.0%	0.0%
0601B	123923	S	005	A	0214		0.0735							\$1.00	\$3,202	0%	100%	0%	100%	0%	-50%	0%	0%	\$0.50	\$1,601	50.0%	0.1%
0601B	123924	S	005	A	0215			0.0092						\$1.00	\$401	0%	100%	0%	100%	0%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123925	S	005	A	0216			0.0735						\$1.00	\$3,202	0%	100%	0%	100%	0%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123926	S	005	A	0217			0.0172						\$1.00	\$749	0%	100%	0%	100%	0%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123927	S	005	A	0218		0.0606							\$1.00	\$2,640	0%	100%	0%	100%	0%	-50%	0%	0%	\$0.50	\$1,320	50.0%	0.1%
0601B	123928	S	005	A	0219			0.2004						\$1.00	\$8,729	0%	100%	0%	100%	0%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123929	S	005	A	0220		0.0000							\$1.00	\$0	100%	0%	100%	0%	0%	0%	-50%	-20%	\$0.40	\$0	40.0%	0.0%
0601B	123930	S	005	A	0221		0.0881							\$1.00	\$3,838	100%	0%	100%	0%	0%	0%	-50%	-20%	\$0.40	\$1,535	40.0%	0.1%
0601B	123931	S	005	A	0222		0.0881							\$1.00	\$3,838	100%	0%	100%	0%	0%	0%	-50%	-20%	\$0.40	\$1,535	40.0%	0.1%
0601B	123932	S	005	A	0223		0.0881							\$1.00	\$3,838	100%	0%	100%	0%	0%	0%	-50%	-20%	\$0.40	\$1,535	40.0%	0.1%
0601B	123933	S	005	A	0224		0.0881							\$1.00	\$3,838	100%	0%	100%	0%	0%	0%	-50%	-20%	\$0.40	\$1,535	40.0%	0.1%
0601B	123934	S	005	A	0225			0.0794						\$1.00	\$3,459	0%	100%	0%	100%	0%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123935	S	005	A	0226			0.0268						\$1.00	\$1,167	0%	100%	0%	100%	0%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123936	S	005	A	0227			0.1119						\$1.00	\$4,874	0%	100%	0%	100%	0%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%
0601B	123937	S	005	A	0228		0.1144							\$1.00	\$4,983	0%	100%	0%	100%	0%	-50%	0%	0%	\$0.50	\$2,492	50.0%	0.1%
0601B	123938	S	005	A	0229			0.2181		\$1.00	\$9,500	0%	100%	0%	100%	0%	0%	0%	-100%	\$0.00	\$0	0.0%	0.0%				
0601B	123881	S	005	004	0691		0.0803			\$5,000	\$402	0%	100%	0%	100%	0%	-15%	0%	0%	\$4,250	\$341	85.0%	0.0%				
0601B	123669		005		0231		0.7576			\$5,000	\$3,788	0%	100%	0%	100%	0%	-15%	0%	0%	\$4,250	\$3,220	85.0%	0.2%				
0601B	123670		005		0232		5.9100			\$5,000	\$29,550	0%	100%	0%	100%	0%	-15%	0%	0%	\$4,250	\$25,118	85.0%	1.4%				
0601B	123671		005		0233		0.6887			\$5,000	\$3,444	0%	100%	0%	100%	0%	-15%	0%	0%	\$4,250	\$2,927	85.0%	0.2%				
0601B	123672		005		0234		5.6600			\$5,000	\$28,300	0%	100%	0%	100%	0%	-15%	0%	0%	\$4,250	\$24,055	85.0%	1.4%				

Property Description (1)										Value Segment (2)			Across the Fence (3)			Non-Corridor Highest & Best Use (4)			Adjustment to Across the Fence Value			Value (8)		
M&SL	LMS ID	Map Pfx	Map #	Map Sfx	Parcel #	Pcl Sfx	Acres-N	Acres-R	No.	North East Extent	South West Extent	Land Use	Unit \$ SF	Segment Value	Stand-alone	Combine	Parcel (5)	Physical (6)	Economic (7)	Unit \$ SF	Aggregate	% ATF	% Total	
0601B	123673		005		0235		6 3900						\$7,500	\$47,925	0%	100%	-15%	0%	0%	\$6,375	\$40,736	85 0%	2 3%	
0601B	123674		005		0236		1 0000						\$7,500	\$7,500	0%	100%	-15%	0%	0%	\$6,375	\$6,375	85 0%	0 4%	
0601B	123675		005		0237		2 4700						\$7,500	\$18,525	0%	100%	-15%	0%	0%	\$6,375	\$15,746	85 0%	0 9%	
0601B	123676		005		0238		5 2100		8				\$7,500	\$39,075	0%	100%	-15%	0%	0%	\$6,375	\$33,214	85 0%	1 9%	
0601B	123677		005		0239		2 7800						\$7,500	\$20,850	0%	100%	-15%	0%	0%	\$6,375	\$17,723	85 0%	1 0%	
0601B	123678		005		0240		4 7500						\$7,500	\$35,625	0%	100%	-15%	0%	0%	\$6,375	\$30,281	85 0%	1 7%	
0601B	123679		005		0242		1 8000						\$7,500	\$13,500	0%	100%	-15%	0%	0%	\$6,375	\$11,475	85 0%	0 7%	
Total							67 2570	7 6566	74.9136	ATF per acre & aggregate =			\$1 44	\$4,706,180	Non-Corridor Value =					\$0 60	\$1,750,063	37 2%	100%	

(1) Description and land area per Ledger Value data	
(2), (3) Value Segments using across the fence land use per aerial photos and field inspections	
(4) Highest and best use for non-corridor real estate development/use(s)	Percentage of value segment
(5) stand-alone = no adjustment, combine = -15% to -50% adjustment	
(6) access, topography, shape etc	
(7) external influences, + = positive demand/use factors, - = negative demand/use factors.	
(8) Based on marketable equivalent title, no impacts from environmental conditions	

(1) Description and land area per Ledger Value data

(2), (3) Value Segments using across the fence land use per aerial photos and field inspections

(4) Highest and best use for non-corridor real estate development/use(s) Percentage of value segment

(5) stand-alone = no adjustment, combine = -15% to -50% adjustment

(6) access, topography, shape etc

(7) external influences, + = positive demand/use factors, - = negative demand/use factors.

(8) Based on marketable equivalent title, no impacts from environmental conditions

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Appendix F

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VERIFIED STATEMENT OF BRIAN MAHAFFEY

My name is Brian Mahaffey. I am employed by Union Pacific Railroad Company ("UP") as a Senior Business Manager in the Grain and Grain Products Group of the Marketing and Sales Department. My office address is 1400 Douglas Street, Stop 1310, Omaha, Nebraska, 68179. I have been employed by UP since October, 1996 and have been in my current position for six (6) years. My primary duties include direct customer account responsibility.

I. Introduction and Background

UP is preparing to file an application with the Surface Transportation Board ("STB") to abandon the Chaska Industrial Lead (the "Line"), which extends 5.6 miles from Chaska (Milepost 33.0) to Mernam (Milepost 38.6), in Scott and Carver Counties, Minnesota. This statement details the shipping history and available transportation alternatives for the customers served by the Line. The Line's only customer and user of railroad-supplied transportation is United Sugars Corp. ("United Sugars"). A second customer, Chaska Building Center, used the Line to move very limited volumes of traffic until February 2006. Chaska Building Center did not maintain facilities along the Line, and as a result, used trackage owned by United Sugars to receive shipments.

II. United Sugars Corp.

United Sugars operates a sugar liquefying (melting) facility in Chaska, which receives bulk sugar shipments in covered hoppers. After liquefying the sugar, United Sugars distributes the resulting liquid product via tanker trucks to its customers. United Sugars receives this sugar for liquification from its refining and distribution operations located in Minnesota and North Dakota. It also accepts returned partial shipments of sugar left over from other operations and activities at other facilities. United Sugars' address is 524 Center Ave., Moorhead, MN 56560.

United Sugars received the following inbound shipments in recent years:

Forecast Year (December 2007-November 2008) 764 car loads (72,405 tons)

Base Year (March 2006-February 2007) 764 car loads (72,405 tons)

2006 816 car loads (77,070 Tons)

2005 630 car loads (60,210 Tons)

(There are no outbound rail shipments from this location.)

When advised by UP of the destruction of the Line's Milepost 37.14 bridge, which forced UP to embargo service, United Sugars immediately took short-term action to divert its inbound shipments to other customer locations and for uses other than liquification. The Chaska location had sufficient inventory to withstand a short interruption of inbound flows and to continue operations pending a UP decision regarding reconstruction of the destroyed bridge.

In order to continue receiving inbound sugar shipments over the longer run, United Sugars evaluated alternative rail-truck transfer sites (transload facilities) but ultimately concluded that the costs and quality controls associated with these facilities were unsuitable for its operations. United Sugars therefore elected to transport all of its inbound sugar shipments via direct truck.

Base Year revenue, which is actual revenues generated by United Sugars in accordance with UP's published tariffs, total \$774,152. United Sugars' Forecast Year revenues increase to \$901,214, as the result of respective 4.5 and 11.4 percent rate increases that became effective during the interim period following the end of the Base Year, and before the beginning of the Forecast Year.

III. Chaska Building Center

Chaska Building Center operates a building materials supply company in Chaska. Its address is P O Box 89, Chaska, MN 55318. Chaska Building Center received the following inbound shipments in recent years, utilizing United Sugars' trackage:

Forecast Year (December 2007-November 2008) 0 carloads¹

Base Year (March 2006-February 2007) 0 carloads

2006 3 carloads (297 tons)

2005 10 carloads (922 Tons)

(There were no outbound shipments from this customer.)

¹ Chaska Building Center's last shipment via the Line occurred in February, 2006. Therefore, it did not generate any traffic during the Base Year (March, 2006 through February, 2007). It is not expected to generate any traffic during the Forecast Year (December, 2007 through November, 2008).

Chaska Building Center's last inbound movement occurred in February 2006, more than 12 months before UP embargoed the Line. Chaska Building Center has informed UP that due to a regional downturn in building activity, it is not in a position to utilize full railcar-loads of materials. As a result, the destruction of the Milepost 37.14 bridge did not and does not appear likely to impact traffic moved by this customer, which now receives all shipments via truck.

No Base Year revenue calculations were made for Chaska Building Center, as it did not ship any traffic via the Line during the Base Year. Likewise, no Forecast Year revenue calculations were performed for Chaska Building Center, as it is not expected to ship any traffic via the Line during the Forecast Year.

IV. Alternative Transportation

Motor carrier service is readily accessible in the Chaska area and is currently utilized by both United Sugars and Chaska Building Center. Chaska is served by a number of state and local roads, including a major highway, U.S. 212. This highway intersects with Interstate 494 approximately ten miles northeast of Chaska, which in turn connects with the extensive Interstate Highway network serving the Twin Cities area. Because of the extensive highway network in the area, trucks can be and have been used to meet shippers' transportation needs.

V. Conclusion

If approved, the abandonment of the Chaska Industrial Lead will have little or no impact upon its sole active customer, United Sugars, which has found satisfactory alternatives to rail transport to meet its shipping needs. The abandonment also appears unlikely to adversely impact the Line's other customer, Chaska Building Center, which has not used the Line since February, 2006, and has not expressed interest in moving future shipments via the Line.

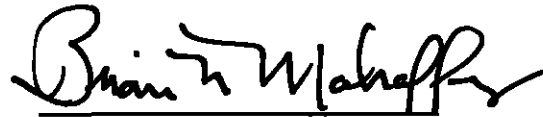
STATE OF NEBRASKA

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COUNTY OF DOUGLAS

Brian Mahaffey, being first duly sworn, deposes and states that he has read the above document
knows the facts asserted therein, and that the same are true as stated



Brian Mahaffey

SUBSCRIBED and SWORN to before me this 30 day of November 2007


Notary Public



Appendix G

VERIFIED STATEMENT OF ROBERT J. GLOODT

My name is Robert J. Gloodt. I am employed by Union Pacific Railroad Company ("UP") as Senior Manager Appraisals in the Real Estate Department, Union Pacific Finance. My office address is 1400 Douglas Street, STOP 1690, Omaha Nebraska, 68179-1690. I have been employed by UP since May 1998 and have been in my current position for eight (8) years. My primary duties include direct responsibility for valuation of real estate and related assets. I hold a Bachelor of Arts degree Economics from University of Wisconsin, and as a member of the International Right-of-Way Association, I attend continuing education appraisal classes. Prior to my employment at Union Pacific I worked as an independent consultant valuing specialty commercial real estate, including transportation corridor property.

I. Introduction and Background

UP is preparing to file an application with the Surface Transportation Board ("STB") to abandon the Chaska Industrial Lead (the "Line"), which extends 5.6 miles from Chaska (Milepost 33.0) to Merriam (Milepost 38.6), in Scott and Carver Counties, Minnesota. This statement provides information and analysis of the land associated with the Line (the "Subject Property"), and describes the process used to estimate its market value, in accordance with Surface Transportation Board guidelines and railroad industry appraisal standards and practices. In performing my analysis, I relied upon ex Chicago & North Western – The Minneapolis & St. Louis RR (Hopkins-Albert Lea) Right-of-Way and Track Maps (valuation maps).

II. Line Acreage and Ownership

The corridor occupied by the Line varies in width, but is generally about 100-feet wide. I identified the Subject Property considered in my analysis and performed my valuation using Union Pacific ledger data (records), which define the Subject Property's boundaries by parcel number and area. The Subject Property comprises 67.257 acres that UP owns in fee, plus 7.6566 acres considered reversionary ownership, for a total of 74.9136 acres. The Subject Property does not contain any federally owned land.

III. Valuation

STB guidelines require the value estimate to assume that the Subject Property's highest and best use is for non-railroad purposes, also known as Liquidation Value. To derive Liquidated Value, I field-inspected the Subject Property from adjacent roadways and other public rights-of-

way on May 21 and 22, 2007. My value estimate, shown below, is valid as of December 2007 based upon work conducted during May and June 2007. (Real estate market conditions in the region are stable.)

For valuation purposes, I divided the entire Subject Property (ledger data) into Value Segments, each of which I categorized based upon my field observations of the predominant uses of land "across-the-fence" from each Value Segment at issue, and consideration of the zoning status of adjacent properties. I then assigned values to each Value Segment. In doing so, I considered a range of relevant real estate market data, including prior land sales, listings, assessor data, and other broker information.

Based upon predominant across-the-fence land uses and zoning regulations, I determined the Non-Comdor Highest & Best Use for each Value Segment by comparing market and adjacent property data to each part of the Subject Property. I determined that some parts of the Subject Property were physically large enough and had sufficient location-access to be suitable for stand-alone use or development. I did not apply a discount to such land parcels. Most of the Subject Property, however, appeared better suited to be sold or used in combination with adjacent property. I made downward adjustments for certain land parcels based upon the potential contribution they would make to the value of adjacent land, if they were to be held under common ownership with it.

As of December 2007, liquidation value of the Subject Land, if used for non-railroad purposes, is calculated as follows:

<u>Reversionary acreage</u>	\$0
<u>Acreage owned in fee</u>	67.257 acres at \$ 60 per square foot, or \$26,021.00 per acre,
	67.257 acres x \$26,021.00 = \$1,750,063.00 total land value

This estimate, which is effective as of December 2007, excludes value-in-place of or costs for removal of signboards, trackage, bridges, signals, signage, culverts, crossing protection or other improvements.

IV. Topography

In the Chaska area, the Subject Property is generally level with adjacent land and would require minimal site preparation. Between Chaska and the Minnesota River at Carver, MN, the Subject Land includes a series of fills and hills, cutting through a large acreage designated as a wildlife refuge. Earth fills exist through the Town of Carver on approach to the Minnesota River.

Cuts into hillside and some earth fills are found in the Scott County portion of the Line, which extends from Minnesota River to its terminus at Merriam Junction.

STATE OF NEBRASKA

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COUNTY OF DOUGLAS

Robert J Gloodt, being first duly sworn, deposes and states that he has read the above document, knows the facts asserted therein, and that the same are true as stated

Robert J Gloodt 12/3/07
Robert J Gloodt

SUBSCRIBED and SWORN to before me this 3rd day of December 2007

Annette M. Aughe
Notary Public



EXHIBITS

APPENDIX H

VERIFICATION

STATE OF NEBRASKA)
) ss
COUNTY OF DOUGLAS)

I, Raymond E Allamong, Jr , Senior Manager Rail Line Planning of Union Pacific Railroad Company, declare under penalty of perjury, under the laws of the United States of America, that I been authorized by the applicant to verify and file with the Surface Transportation Board the foregoing Application in STB Docket AB 33 (Sub-No 255), that I have carefully examined all of the statements in the Application as well as the exhibits attached thereto and made a part thereof, that I have knowledge of the facts and matters relied upon in the Application, and that all representations set forth therein are true and correct to the best of my knowledge, information, and belief

Dated at Omaha, Nebraska, this 3rd day of December, 2007

Raymond E. Allamong, Jr.
Raymond E Allamong, Jr.

SUBSCRIBED AND SWORN TO before me this 3 day of December, 2007

Annette M. Aligne
Notary Public

My Commission expires _____



APPENDIX I



Law Department

(402) 501-0127 (FAX)

May 11, 2007

State Clearinghouse (or alternate):

Minnesota Planning
658 Cedar Street, Room 300
St Paul, MN 55155

State Environmental Protection Agency:

Minnesota Pollution Control Agency
520 Lafayette Road
St Paul, MN 55155-4194

**State Coastal Zone Management Agency
(if applicable):**

Not Applicable

Head of each County:

Carver County Supervisors
600 East 4th Street
County Courthouse
Chaska, MN 55318-2102

Scott County Supervisors
200 Fourth Avenue West
County Government Center
Shakopee, MN 55379-1220

**Environmental Protection Agency
(Regional Office):**

U S Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604

U.S. Fish and Wildlife:

U S Fish & Wildlife Service, Region 3
1 Federal Drive
BHW Federal Building
Fort Snelling, MN 55111

U.S. Army Corps of Engineers:

U S Army Corps of Engineers
St Paul District
190 Fifth Street East
St. Paul, MN 55101-1638

National Park Service:

National Park Service
Midwest Region
601 Riverfront Drive
Omaha, NE 68102

U.S. Natural Resources Conservation Service:

State Conservationist
Natural Resource Conservation Service
375 Jackson Street, Suite 600
St Paul, MN 55101-1854

National Geodetic Survey:

National Geodetic Survey
Edward J McKay, Chief
Spatial Reference System Division
NOAA N/NGS2
1315 E-W Highway
Silver Spring, MD 20910-3282

State Historic Preservation Office:

Minnesota Historical Society
345 Kellogg Blvd. West
St. Paul, MN 55102-1906

Re: Proposed Abandonment of the Chaska Industrial Lead from Milepost 38.6 near Merriam to Milepost 33.0 near Chaska, a distance of 5.60 miles in Carver and Scott Counties, Minnesota; STB Docket No. AB-33 (Sub-No. 255)

Dear Sirs:

Union Pacific Railroad Company plans to request authority from the Surface Transportation Board (STB) to abandon and discontinue service on the Chaska Industrial Lead from Milepost 38.6 near Merriam to Milepost 33.0 near Chaska, a distance of 5.60 miles in Carver and Scott Counties, Minnesota. A map of the proposed track abandonment shown in black is attached.

Pursuant to the STB's regulations at 49 C.F.R. Part 1152, and the environmental regulations at 40 C.F.R. Part 1105.7, this is to again request your assistance in identifying any potential effects of this action as indicated in the paragraphs below. We do not anticipate any adverse environmental impacts. However, if you identify any adverse environmental impacts, describe any actions that are proposed in order to mitigate the environmental impacts. Please provide us with a written response that can be included in an Environmental Report, which will be sent to the STB.

LOCAL AND/OR REGIONAL PLANNING AGENCIES. State whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

U. S. SOIL CONSERVATION SERVICE. State the effect of the proposed action on any prime agricultural land.

U. S. FISH AND WILDLIFE SERVICE (And State Game And Parks Commission, If Addressed). State (1) whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects, and, (2) whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

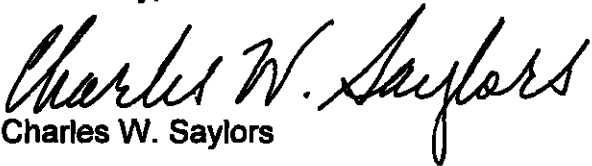
STATE WATER QUALITY OFFICIALS. State whether the proposed action is consistent with applicable Federal, State or Local water quality standards. Describe any inconsistencies.

U. S. ARMY CORPS OF ENGINEERS. State (1) whether permits under Section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and (2) whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.

U. S. ENVIRONMENTAL PROTECTION AGENCY AND STATE ENVIRONMENTAL PROTECTION (OR EQUIVALENT AGENCY). (1) Identify any potential effects on the surrounding area, (2) identify the location of hazardous waste sites and known hazardous material spills on the right-of-way and list the types of hazardous materials involved, and (3) state whether permits under Section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action.

Thank you for your assistance. Please send your reply to Union Pacific Railroad, Mr. Chuck Saylor, 1400 Douglas Street, Mail Stop 1580, Omaha, NE, 68179. If you need further information, please contact me at (402) 544-4861.

Yours truly,


Charles W. Saylor

Attachment

APPENDIX J

220613



Gabriel S. Meyer
Assistant General Attorney

October 30, 2007

VIA UPS OVERNIGHT

Ms. Virginia Rutson
Surface Transportation Board
Section of Environmental Analysis
395 E Street, S.W.
Washington, D C. 20024

ENTERED
Office of Proceedings

OCT 31 2007

Part of
Public Record

**RE: Docket No. STB No. AB-33 (Sub-No. 255), Union Pacific Railroad
Company - Abandonment - In Carver and Scott Counties, Minnesota,
(Chaska Industrial Lead)**

Dear Ms. Rutson:

Enclosed for filing in the above-referenced matter are an original and ten (10) copies of a Combined Environmental and Historic Report prepared pursuant to 49 C.F.R. §1105.7 and § 1105.8, with a Certificate of Service, and a transmittal letter pursuant to 49 C.F.R. § 1105.11

Union Pacific anticipates filing an Application for Abandonment in this matter on or after November 20, 2007. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Gabriel S. Meyer".

Gabriel S Meyer

Enclosures

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Docket No. AB-33 (Sub-No. 255)

**UNION PACIFIC RAILROAD COMPANY
– ABANDONMENT –
IN CARVER AND SCOTT COUNTIES, MINNESOTA
(CHASKA INDUSTRIAL LEAD)**

Combined Environmental and Historic Report

**UNION PACIFIC RAILROAD COMPANY
Gabriel S. Meyer
Assistant General Attorney
1400 Douglas Street, Mail Stop 1580
Omaha, Nebraska 68179
(402) 544-1658
(402) 501-0129 FAX**

**Dated: October 30, 2007
Filed: October 31, 2007**

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Docket No. AB-33 (Sub-No. 255)

**UNION PACIFIC RAILROAD COMPANY
– ABANDONMENT –
IN CARVER AND SCOTT COUNTIES, MINNESOTA
(CHASKA INDUSTRIAL LEAD)**

Combined Environmental and Historic Report

Union Pacific Railroad Company ("UP") submits this Combined Environmental and Historic Report pursuant to 49 CFR §1105.7(e) and 49 CFR §1105.8(d), respectively, for authorization to abandon the Chaska Industrial Lead from Milepost 38.6 near Merriam to Milepost 33.0 near Chaska, a distance of 5.60 miles in Carver and Scott Counties, Minnesota (the "Line"). The Line traverses U.S. Postal Service Zip Codes 55315, 55318, and 55379

The UP anticipates that an Application for Abandonment and Discontinuance of Service on the Line will be filed with the STB on or after November 20, 2007.

A map of the Line marked Attachment No. 1 is attached hereto and is hereby made a part hereof. UP's letter to federal, state and local government agencies marked Attachment No. 2 is attached hereto and is hereby made a part hereof. Responses received thus far to UP's letter are attached hereto and are sequentially referenced as

attachments in the appropriate sections of this Combined Environmental and Historic Report.

ENVIRONMENTAL REPORT
49 C.F.R. § 1105.7(e)

(1) Proposed action and alternatives

Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

Response: The proposed action involves the abandonment and discontinuance of service on the Chaska Industrial Lead from Milepost 38.6 near Merriam to Milepost 33.0 near Chaska, a distance of 5.60 miles in Carver and Scott Counties, Minnesota. The only active shippers on the Line are United Sugars Corporation and Chaska Building Center. Recent shipping profiles are as follows

United Sugars Corporation ("United Sugars")
524 Center Avenue
Moorhead, MN 56560

2005: Sugars, STCC 20621, 630 cars, 60,210 tons.

2006: Sugars, STCC 20621, 816 cars, 77,070 tons

Base Year (3/06-2/07): Sugars, 764 cars, 72,405 tons

Forecast Year (11/07-10/08): Sugars, 764 cars, 72,405 tons

**Chaska Building Center
P O. Box 89
Chaska, MN 55318**

**2005: Lumber, STCC 24211, 6 cars, 523 tons
Boards, STCC 24991, 1 car, 96 tons
Gypsum Wallboard, STCC 32754, 3 cars, 303 tons**

2006: Lumber, STCC 24211, 3 cars 297 tons

Base Year (3/06-2/07): 0 cars

Forecast Year (11/07-10/08): 0 cars

Total Traffic—Base Year and Forecast Year

Base Year (3/06-2/07): Sugars, 764 cars, 72,405 tons

Forecast Year (11/07-10/08). Sugars, 764 cars, 72,405 tons

There appears to be no reasonable alternative to the abandonment. There are no other current rail customers on the Line and no location of new rail-served industry along the Line is anticipated. There is no overhead traffic.

After abandonment, the closest rail lines would be UP's Mankato Subdivision at Merriam, approximately two highway miles south of Chaska, and the Twin Cities & Western Railroad, approximately three highway miles north of Chaska.

Lying in the southwest portion of the Minneapolis/St Paul metropolitan area, Chaska is served by a number of state and local roads. In addition, the major highway serving Chaska is U.S. 212, which runs approximately ten miles northeast to Interstate 494, which in turn connects with the extensive Interstate Highway network serving the Twin Cities area.

The Line was constructed in 1870 by the Minneapolis and St. Louis Railroad
The track structure is currently comprised of 115-pound jointed rail laid in 1958

The total property area considered in the proposed abandonment consists of 74 9136 acres of which 67.257 acres are fee equivalent ownership and 7.6566 acres are considered reversionary. Currently, there are no specific plans for the property
Based on information in our possession, the Line does not contain federally granted right-of-way. Any documentation in UP's possession will be made available to those requesting it.

A map of the Line is attached as Attachment No. 1.

(2) Transportation system

Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

Response: If the requested authority is granted, UP calculates that an additional 5,792 loaded and empty truck movements will potentially use area highways each year, or approximately 23 one-way truck movements per business day ¹ The existing road network, which includes U.S. Highway 212 is expected to be able to accommodate this increased traffic without adversely impacting overall traffic conditions. This impact could be substantially reduced if the trucks used to deliver

¹ This estimate of 23 one-way truck movements per day is based upon the following assumptions: the 72,405 tons of sugar transported during the Forecast Year will require 2,896 loaded truck movements, with each truck carrying 25 tons of sugar Assuming conservatively that the trucks have a 100% empty return rate, this results in a total increase of 5,792 one-way truck movements (loaded and empty). In a year with 250 business days, approximately 23 additional trucks will use area highways each business day. In the event that these trucks travel on weekends or holidays, the net increase would be less than 23 trucks per day.

unfinished materials to United Sugars were used to carry finished goods from the facility, rather than returning empty.

(3) Land use.

(i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

(ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land.

(iii) If the action effects land or water uses within a designated coastal zone, include the coastal zone information required by §1105.9.

(iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. § 10905 and explain why.

Response:

(i) UP has no current plans for the property after completion of the proposed abandonment. The Carver County Office of County Commissioners has been contacted, and on behalf of the Carver County Regional Railroad Authority, the Commissioners filed a Request For Public Use Condition and a Request For Interim Trail Use along with a Statement Of Willingness To Assume Financial Responsibility. The County Commissioners' response is attached as Attachment No. 3, and is hereby made a part hereof. UP has received no response from Scott County officials.

(ii) The United States Natural Resources Conservation Service has been contacted and by letter dated May 15, 2007, has stated that the proposed abandonment will not affect any prime farmland. The Natural Resources Conservation Service response is attached as Attachment No. 4, and is hereby made a part hereof

(iii) Not Applicable.

(iv) If the land is acquired by a public entity for recreational or other public purposes, the United States of America may be willing to convey the reversionary interests. The Carver County Regional Railroad Authority has expressed interest in the property for potential trail use and other public transportation uses

(4) Energy.

(i) Describe the effect of the proposed action on transportation of energy resources.

(ii) Describe the effect of the proposed action on recyclable commodities

(iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why

(iv) If the proposed action will cause diversions from rail to motor carriage of more than:

(A) 1,000 rail carloads a year, or

(B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

Response:

(i) The commodities handled on the Line are sugar and lumber, therefore there are no effects on the transportation of energy resources.

(ii) There are no recyclable commodities moved over the Line.

(iii) There may be a limited decrease in overall energy efficiency, due to the need for shippers to move their goods at least part of the distance to Chaska via truck

(iv)(A) Less than 1,000 railcars will be diverted from rail to motor carriage during the Forecast Year.

(iv)(B) The proposed action will cause the diversion of approximately 764 railcars from rail to motor carriage during the Forecast Year. Because all traffic using

the Line traverses the entire line, this will result in a diversion from rail to motor carriage of more than 50 cars per mile. UP estimates the resulting net change in energy consumption as follows:

- For purposes of this calculation, UP assumes that each shipment diverted from rail to motor carriage will travel 5.6 miles via motor carriage, the distance of the Line proposed for abandonment. The distance could be less if United Sugars were to transload its inbound shipments from rail at a location along either UP's Mankato Subdivision at Merriam, MN (approximately two highway miles south of Chaska) or along the Twin Cities & Western Railroad (approximately three highway miles north of Chaska).
- Traffic diverted to motor carriage will travel in highway trailers. UP estimates that the movement of each highway trailer via motor carriage will require the same amount of energy as the movement of a single railcar.
- United Sugars attempts to load highway trailers with 25 tons of materials. As a result, the 72,405 tons that United Sugars shipped by rail during the Base Year will require 2,896 highway trailers (or 5,792 one-way trips via motor carriage). This estimate conservatively assumes that each highway trailer will have a 100 percent empty return rate—i.e., the trailers used to replace railcar shipments will deliver inbound materials to United Sugars only, and then depart empty from United Sugars' facility. If United Sugars uses some of

these highway trailers to haul outbound product from its plant, which already travels via motor carriage, then the net increase in motor carriage use may be substantially less.

- Assuming that the proposed abandonment results in a net increase of 2,896 highway trailers used to transport United Sugars traffic, each of which will carry 25 tons of lading, the total amount of energy required to move these trailers the 5.6-mile length of the Line will be approximately 3.8 times the amount of energy required to move them by rail. This will result in a net energy consumption increase equal to approximately 2.8 times the amount of energy used during the Base Year to move United Sugars traffic via rail over the Line proposed for abandonment.²

(5) Air (I).

(I) If the proposed action will result in either:

(A) an increase in rail traffic of at least 100% (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or

(B) an increase in rail yard activity of at least 100% (measured by carload activity), or

(C) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. 10901 (or 10505) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in subsection (5)(i)(A) will apply

² This 2.8-times net increase reflects the elimination of energy use for rail transport over the Line proposed for abandonment.

Response:

(i)(A) Not applicable.

(i)(B) Not applicable

(i)(C) Assuming that the proposed abandonment will result in a net increase of 5,792 one-way truck movements, this will neither result in a 10% increase nor a 50 vehicle-per-day increase in traffic on any road segment See UP's response to 49 C.F.R § 1105.7(e)(2), above.

(5) Air (II).

(ii) If the proposed action affects a class 1 or nonattainment area under the Clean Air Act, and will result in either:

(A) an increase in rail traffic of at least 50% (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line, or

(B) an increase in rail yard activity of at least 20% (measured by carload activity), or

(C) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. 10901 (or 49 U S C 10505), or a case involving the reinstatement of service over a previously abandoned line, only the three train a day threshold in this item shall apply.

Response:

(i)(A) Not applicable.

(i)(B) Not applicable

(i)(C) See UP's response to 49 C.F.R. § 1105.7(e)(5)(i)(c), above

(5) Air (III).

(iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity, the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent

available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

Response:

The proposed action will not affect the transportation of ozone depleting materials.

(6) Noise.

If any of the thresholds identified in Item (5)(I) of this section are surpassed, state whether the proposed action will cause:

(i) an incremental increase in noise levels of three decibels Ldn or more or

(ii) an increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area and quantify the noise increase for these receptors if the thresholds are surpassed

Response: Not applicable.

(7) Safety.

(i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings).

(ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds, safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials

(iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved

Response:

(i) The proposed action will have no detrimental effects on public health and safety.

(ii) The proposed action will not affect the transportation of hazardous materials.

(iii) There are no known hazardous material waste sites or sites where known hazardous material spills have occurred on or along the subject right-of-way

(8) Biological resources.

(i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects

(ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

Response:

(i) The U. S. Fish and Wildlife Service has been contacted and determined that no threatened or endangered species or their designated critical habitats exist within the site of the proposed abandonment. The Fish and Wildlife Service has determined the proposed abandonment will have beneficial effects on the Refuge and adjacent wildlife habitat and no adverse effects, and furthermore states that the Minnesota Valley National Wildlife Refuge strongly supports the abandonment. The Fish & Wildlife Service's response is attached as Attachment No. 5, and is hereby made a part hereof.

(ii) The National Park Service has been contacted and has reviewed the proposed abandonment. The National Park Service Midwest Regional Office had no comments concerning the proposed abandonment. The National Park Service's response is attached as Attachment No. 6, and is hereby made a part hereof.

(9) Water.

(i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies.

(ii) Based on consultation with the U.S. Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects

(iii) State whether permits under section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action. (Applicants should contact the U.S. Environmental Protection Agency or the state environmental protection or equivalent agency if they are unsure whether such permits are required.)

Response:

(i) The Minnesota Pollution Control Agency has been contacted. To date UP has received no responses

(ii) The U.S. Army Corps of Engineers has been contacted. To date UP has received no response.

(iii) It is not anticipated there will be any requirements for Section 402 permits.

(10) Proposed Mitigation.

Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

Response: There are no known adverse environmental impacts

HISTORIC REPORT
49 C.F.R. § 1105.8(d)

(1) A U.S.G.S topographic map (or an alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action:

Response: See Attachment No. 1.

(2) A written description of the right-of-way (including approximate widths to the extent known), and the topography and urban and/or rural characteristics of the surrounding area:

Response: The right-of-way generally consists of a strip of land 100 feet wide through mostly level terrain. The southerly portion is adjacent to fields and the Minnesota River and the northerly portion passes through the City of Chaska, which is at the southwesterly edge of the suburban Minneapolis area.

(3) Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediately surrounding area:

Response: The Minnesota Historical Society has been provided with photographs of each of the structures on the property that are 50 years old or older. A copy of the letter to the State Historical Society and photographs are attached as Attachment No. 7, and are hereby made a part hereof. The response of the State Historic Preservation Office is attached as Attachment No. 8, and is hereby made a part hereof.

(4) The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations to the extent such information is known:

Response: See Attachment No. 1 and Attachment No. 7.

(5) A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action:

Response: See the preceding pages for a brief history and description of carrier operations

(6) A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic:

Response: Not applicable

(7) An opinion (based on readily available information in the railroad's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 CFR §60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities):

Response: The Minnesota Historical Society—State Historic Preservation Office ("SHPO") has submitted comments related to the proposed abandonment. A copy of these comments is attached as Attachment No. 8. Other than the structures noted by the SHPO, UP knows of no historic sites, structures, or archeological resources on the Line or in the project area and believes there is nothing in the scope of the project that merits historical comment. UP further believes that any archeological sites within the scope of the right-of-way would have previously been disturbed during the construction and maintenance of the Line. UP will work with the SHPO and the STB to evaluate the significance of the structures identified by the SHPO.

(8) A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or manmade) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic wastes), and the surrounding terrain:

Response: UP does not have any such readily available information.

(9) Within 30 days of receipt of the historic report, the State Historic Preservation Officer may request the following additional information regarding specified nonrailroad owned properties or group of properties immediately adjacent to the railroad right-of-way. Photographs of specified properties that can be readily seen from the railroad right-of-way (or other public rights-of-way adjacent to the property) and a written description of any previously discovered archeological sites, identifying the locations and type of the site (i.e., prehistoric or native American):

Response: Not applicable.

Dated this 30th day of October, 2007.

Respectfully submitted,

UNION PACIFIC RAILROAD COMPANY



Gabriel S. Meyer
Assistant General Attorney
1400 Douglas Street, Mail Stop 1580
Omaha, Nebraska 68179
(402) 544-1658
(402) 501-0129 FAX

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Combined Environmental and Historic Report in Docket No. AB-33 (Sub-No. 255) for the Chaska Industrial Lead in Carver and Scott Counties Minnesota, and an associated transmittal letter (Attachment No. 9), was served by first class mail on the 30th day of October, 2007 on the following

State Clearinghouse (or alternate):

Minnesota Planning
658 Cedar Street, Room 300
St Paul, MN 55155

State Environmental Protection Agency:

Minnesota Pollution Control Agency
520 Lafayette Road
St Paul, MN 55155-4194

State Coastal Zone Management Agency

(If applicable):

Not Applicable

Head of each County:

Carver County Supervisors
600 East 4th Street
County Courthouse
Chaska, MN 55318-2102

Scott County Supervisors
200 Fourth Avenue West
County Government Center
Shakopee, MN 55379-1220

Environmental Protection Agency

(Regional Office):

U S Environmental Protection Agency
Region 5
77 West Jackson Blvd
Chicago, IL 60604

U.S. Fish and Wildlife:

U S Fish & Wildlife Service, Region 3
1 Federal Drive
BHW Federal Building
Fort Snelling, MN 55111

U.S. Army Corps of Engineers:

U S. Army Corps of Engineers
St Paul District
190 Fifth Street East
St Paul, MN 55101-1638

National Park Service:

National Park Service
Midwest Region
601 Riverfront Drive
Omaha, NE 68102

U.S. Natural Resources Conservation Service:

State Conservationist
Natural Resource Conservation Service
375 Jackson Street, Suite 600
St Paul, MN 55101-1854

National Geodetic Survey:

National Geodetic Survey
Edward J McKay, Chief
Spatial Reference System Division
NOAA N/NGS2
1315 E-W Highway
Silver Spring, MD 20910-3282

State Historic Preservation Office:

Minnesota Historical Society
345 Kellogg Blvd West
St Paul, MN 55102-1906

Other:

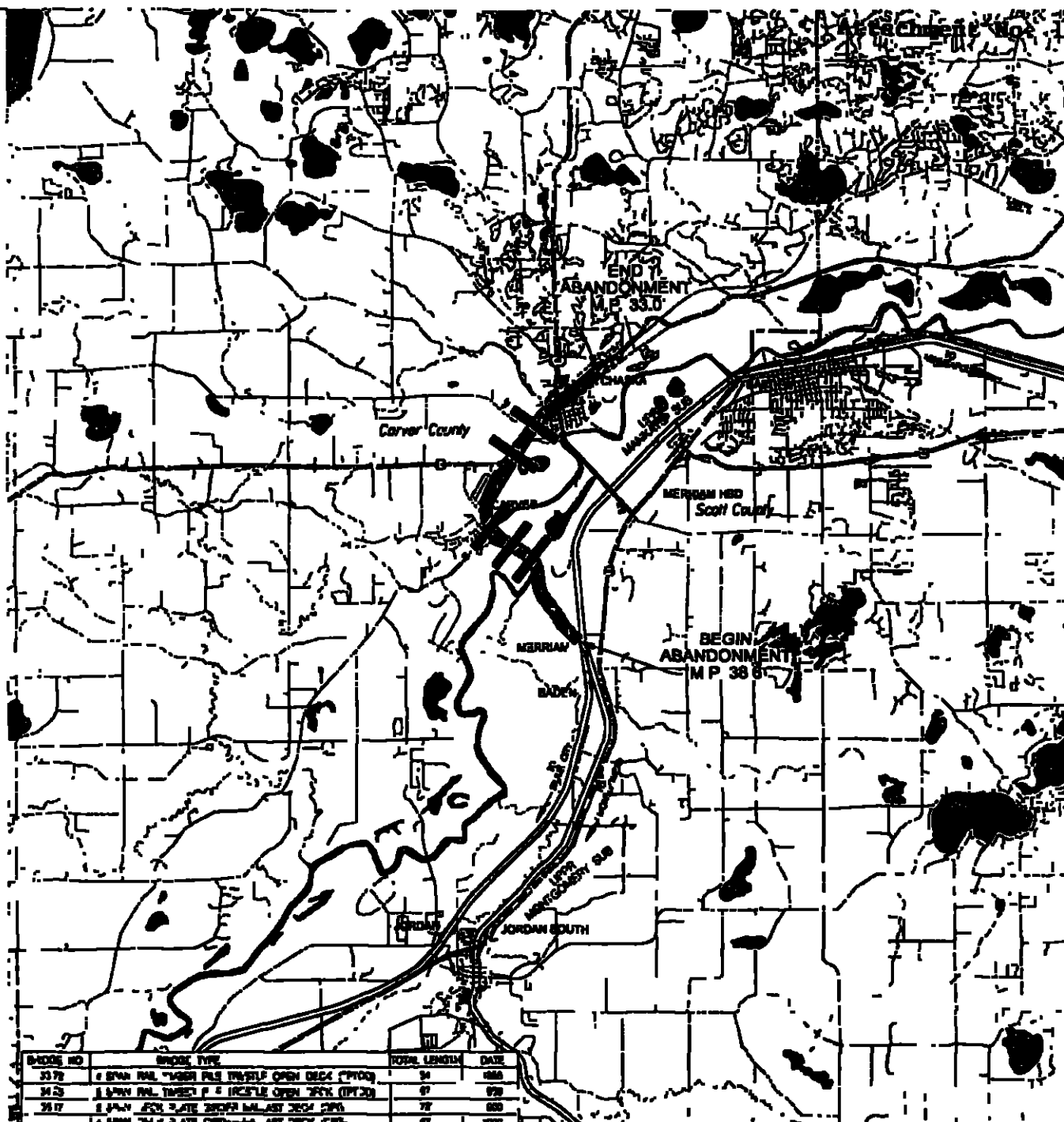
Lee Glass
Transportation Manager
United Sugars Corporation
524 Center Avenue
Moorhead, MN 56560

John Heiland
Manager
Chaska Building Center
P. O. Box 89
Chaska, MN 55318

Dated this 30th day of October, 2007



Gabriel S. Meyer



LEGEND

- UPRR LINES TO BE ABANDONED
- OTHER UPRR LINES
- OTHER RAILROADS
- RAILROADS (abandoned)
- PRINCIPAL HIGHWAYS
- OTHER ROADS
- 50+ YEAR OLD STRUCTURES

CHASKA INDUSTRIAL LEAD

MP 33.0 TO MP 38.6
10"AL OF 5.66 MILES
3.22 M LES IN CATVLY COUNTY
7.37 M LES IN SCOTL COUNTY

UNION PACIFIC RAILROAD CO.
CHASKA INDUSTRIAL LEAD
MINNESOTA

INCLUDING 50+ YEAR OLD STRUCTURES

SCALE MILES

FILE Q:\cbar\orriert\ab33_255_chaska_v8.dgn

DATL 10-Apr-07 11:19



Law Department

(402) 501-0127 (FAX)

May 11, 2007

State Clearinghouse (or alternate):

Minnesota Planning
858 Cedar Street, Room 300
St Paul, MN 55155

State Environmental Protection Agency:

Minnesota Pollution Control Agency
520 Lafayette Road
St Paul, MN 55155-4194

State Coastal Zone Management Agency

(If applicable):

Not Applicable

Head of each County:

Carver County Supervisors
600 East 4th Street
County Courthouse
Chaska, MN 55318-2102

Scott County Supervisors
200 Fourth Avenue West
County Government Center
Shakopee, MN 55379-1220

Environmental Protection Agency

(Regional Office):

U S Environmental Protection Agency
Region 5
77 West Jackson Blvd
Chicago, IL 60604

U.S. Fish and Wildlife:

U S Fish & Wildlife Service, Region 3
1 Federal Drive
BHW Federal Building
Fort Snelling, MN 55111

U.S. Army Corps of Engineers:

U S Army Corps of Engineers
St Paul District
190 Fifth Street East
St Paul, MN 55101-1638

National Park Service:

National Park Service
Midwest Region
601 Riverfront Drive
Omaha, NE 68102

U.S. Natural Resources Conservation Service:

State Conservationist
Natural Resource Conservation Service
375 Jackson Street, Suite 600
St Paul, MN 55101-1854

National Geodetic Survey:

National Geodetic Survey
Edward J McKay, Chief
Spatial Reference System Division
NOAA N/NGS2
1315 E-W Highway
Silver Spring, MD 20910-3282

State Historic Preservation Office:

Minnesota Historical Society
345 Kellogg Blvd West
St Paul, MN 55102-1906

Re Proposed Abandonment of the Chaska Industrial Lead from Milepost 38.6 near Merriam to Milepost 33.0 near Chaska, a distance of 5.60 miles in Carver and Scott Counties, Minnesota; STB Docket No AB-33 (Sub-No 255)

Dear Sirs:

Union Pacific Railroad Company plans to request authority from the Surface Transportation Board (STB) to abandon and discontinue service on the Chaska Industrial Lead from Milepost 38.6 near Merriam to Milepost 33.0 near Chaska, a distance of 5.60 miles in Carver and Scott Counties, Minnesota. A map of the proposed track abandonment shown in black is attached.

Pursuant to the STB's regulations at 49 C.F.R. Part 1152, and the environmental regulations at 40 C.F.R. Part 1105.7, this is to again request your assistance in identifying any potential effects of this action as indicated in the paragraphs below. We do not anticipate any adverse environmental impacts. However, if you identify any adverse environmental impacts, describe any actions that are proposed in order to mitigate the environmental impacts. Please provide us with a written response that can be included in an Environmental Report, which will be sent to the STB.

LOCAL AND/OR REGIONAL PLANNING AGENCIES. State whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

U. S. SOIL CONSERVATION SERVICE. State the effect of the proposed action on any prime agricultural land.

U. S. FISH AND WILDLIFE SERVICE (And State Game And Parks Commission, If Addressed) State (1) whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects, and, (2) whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

STATE WATER QUALITY OFFICIALS. State whether the proposed action is consistent with applicable Federal, State or Local water quality standards. Describe any inconsistencies.

U. S. ARMY CORPS OF ENGINEERS. State (1) whether permits under Section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and (2) whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.

U. S. ENVIRONMENTAL PROTECTION AGENCY AND STATE ENVIRONMENTAL PROTECTION (OR EQUIVALENT AGENCY) (1) Identify any potential effects on the surrounding area, (2) identify the location of hazardous waste sites and known hazardous material spills on the right-of-way and list the types of hazardous materials involved, and (3) state whether permits under Section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action.

Thank you for your assistance Please send your reply to Union Pacific Railroad, Mr Chuck Saylor, 1400 Douglas Street, Mail Stop 1580, Omaha, NE, 68179 If you need further information, please contact me at (402) 544-4861.

Yours truly,


Charles W. Saylor

Attachment



Office of County Commissioners
Carver County Government Center
Human Services Building
602 East Fourth Street
Chaska, MN 55318-1202
Phone: 952 361-1510
Fax: 952 361-1581

Gayle O. Degler
County Commissioner
District #1

June 12, 2007

Tom Workman
County Commissioner
District #2

Charles W. Saylor
Union Pacific Railroad
1400 Douglas Street
STOP 1580
Omaha, NE 68179-1580

**Re: Union Pacific Railroad Abandonment of the Union Pacific Rail Line in
Carver and Scott Counties, STB Docket No. AB 33(Sub No. 255)**

Dear Secretary:

Randy Maluchuk
County Commissioner
District #3

This request is filed on behalf of Carver County Regional Railroad Authority, which is a county government agency interested in transportation and recreation hereinafter referred to as "proponent."

Proponent requests issuance of a Public Use Condition as well as an Interim Trail Use Condition rather than an outright abandonment authorization of the Chaska Industrial Lead from Mile post 38.6 near Merriam to Milepost 33.0 near Chaska, a distance of 5.6 miles in Carver and Scott Counties, Minnesota.

Tim Lynch
County Commissioner
District #4

A. Request For Public Use Condition

Proponent asks the STB to find that this property is suitable for other public use, specifically trail use, future rail use and other public transportation uses, and to place the following conditions on the abandonment:

James M. Ische
County Commissioner
District #5

1. An order prohibiting the carrier from disposing of the corridor, other than the tracks, ties and signal equipment, except for public use on reasonable terms. Justification for this condition is the rail corridor in question is planned for future transportation and recreation purposes and will connect to the metropolitan area regional trail system. The corridor will make an excellent interim trail and is a part of the Carver County Comprehensive Plan. In addition, the corridor provides important wildlife habitat and open space and its preservation as an interim recreational trail is consistent with those purposes. In addition, the Carver County Regional Railroad Authority has not had time to review title information or commence negotiations with Union Pacific Railroad. The time period sought is 180 days from the effective date of the abandonment authorization.

2. An order barring removal or destruction of potential trail-related structures such as bridges, trestles, culverts and tunnels. The justification for this condition is that these structures have considerable value for recreational trail purposes. The time period sought is 180 days from the effective date of the abandonment authorization for the same reason as indicated above.

B. Request For Interim Trail Use

The railroad right-of-way in this proceeding is suitable for railbanking. In addition to the public use conditions sought above, proponent also makes the following request.

STATEMENT OF WILLINGNESS TO ASSUME FINANCIAL RESPONSIBILITY

In order to establish interim trail use and railbanking under section 8(d) of the National Trails System Act, 16 U.S.C. §1247(d), and 49 CFR §1152.29, Carver County Regional Railroad Authority is willing to assume full responsibility for management of, for any legal liability arising out of the transfer or use of (unless the user is immune from liability, in which case it need only indemnify the railroad against any potential liability), and for the payment of any and all taxes that may be levied or assessed against the right-of-way owned by Union Pacific Railroad Company.

The property, known as the Chaska Industrial Lead from Milepost 38.6 near Merriam to Milepost 33 near Chaska, a distance of 5.6 miles in Carver and Scott Counties, Minnesota. The right-of-way is part of a line of railroad proposed for abandonment in STB Docket No. AB-33 (Sub-No. 255).

A map depicting the right-of-way is attached.

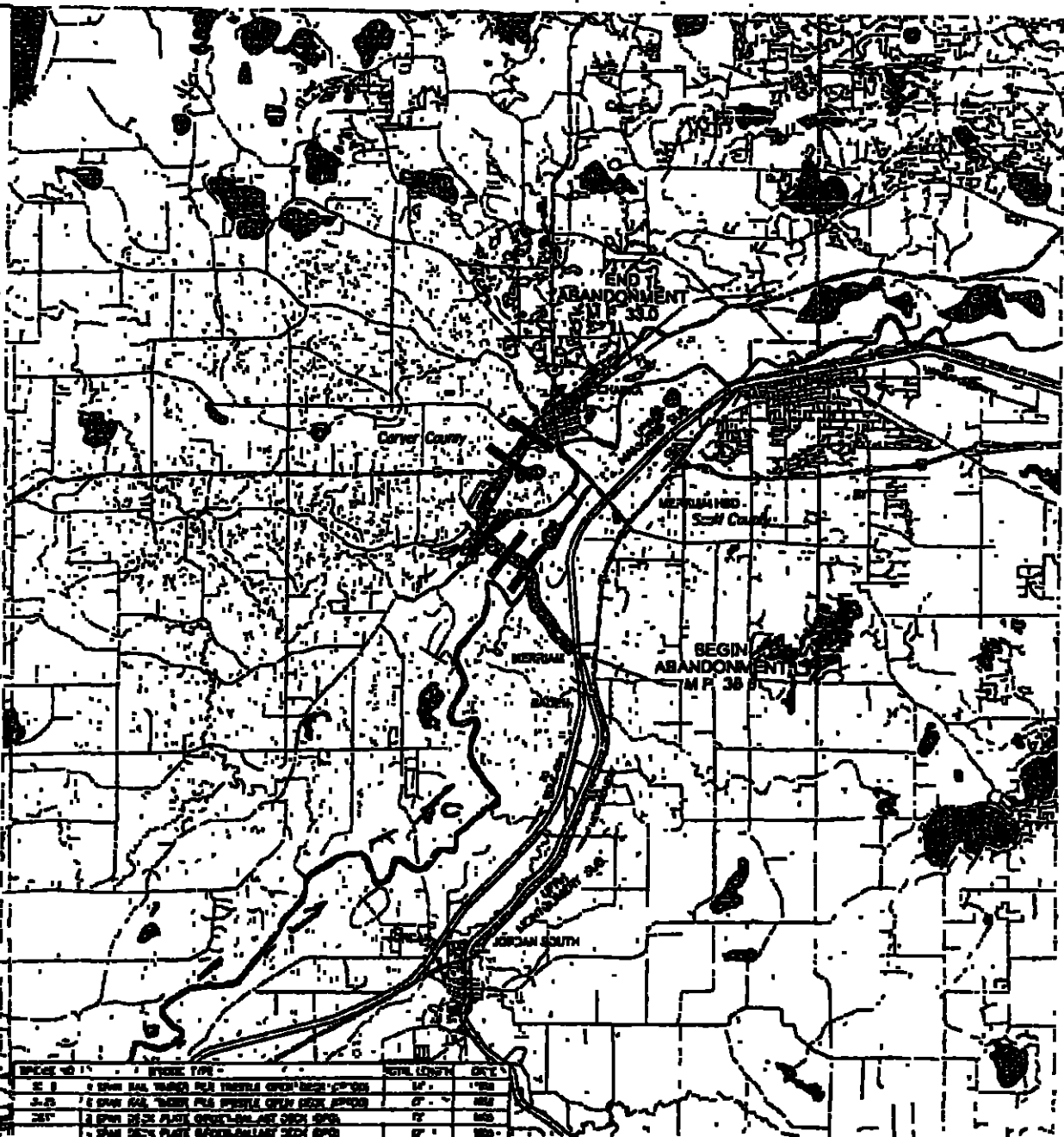
Carver County Regional Railroad Authority acknowledges that use of the right-of-way is subject to the user's continuing to meet its responsibilities described above and subject to possible future reconstruction and reactivation of the right-of-way for rail service.

By my signatures below, I certify service upon Union Pacific Railroad Company, 1400 Douglas Street, STOP 1580, Omaha, NE 68179-1580 by U.S. Mail, postage pre-paid, first class, this 12th day of June, 2007.

Respectfully submitted,



Gayle Degler, Chair
Carver County Regional Rail Authority



SPACING	STRUCTURE TYPE	TOTAL LENGTH	DATE
12'-0"	2 SPAN RAIL BRIDGE OVER TRESTLE OPEN DRAIN (17'-0")	17'	1980
12'-0"	2 SPAN RAIL BRIDGE OVER TRESTLE OPEN DRAIN (17'-0")	17'	1980
24'-0"	2 SPAN 24' DECK PLATE GIRDERS OVER OPEN DRAIN	48'	1980
24'-0"	2 SPAN 24' DECK PLATE GIRDERS OVER OPEN DRAIN	48'	1980
12'-0"	1 SPAN RAIL BRIDGE OVER TRESTLE OPEN DRAIN (17'-0")	17'	1980
12'-0"	2 SPAN RAIL BRIDGE OVER TRESTLE OPEN DRAIN (17'-0")	34'	1980
24'-0"	2 SPAN 24' DECK PLATE GIRDERS OVER OPEN DRAIN (17'-0")	34'	1980
24'-0"	2 SPAN RAIL BRIDGE OVER TRESTLE OPEN DRAIN (17'-0")	34'	1980

LEGEND

- UPRR LINES TO BE ABANDONED
- OTHER UPRR LINES
- OTHER RAILROADS
- RAILROADS (abandoned)
- PRINCIPAL HIGHWAYS
- OTHER ROADS
- 50+ YEAR OLD STRUCTURES

CHASKA INDUSTRIAL LEAD

MP 33.0 TO MP 38.6
TOTAL OF 5.60 MILES
3.23 MILES IN CARVER COUNTY
2.37 MILES IN SCOTT COUNTY

UNION PACIFIC RAILROAD CO
CHASKA INDUSTRIAL LEAD
MINNESOTA

INCLUDING 50+ YEAR OLD STRUCTURES

SCALE: MILES

United States Department of Agriculture



Natural Resources Conservation Service
375 Jackson Street, Suite 600
St Paul, MN 55101-1854

Phone (851) 602-7900
FAX: (851) 602-7914

May 15, 2007

IN REPLY

REFER TO Proposed Abandonment of the Chaska Industrial Lead from Milepost 38.6 near Merriam to Milepost 33.0 near Chaska, a distance of 5.60 miles in Carver and Scott Counties, Minnesota; STB Docket No AB-33 (Sub-No 255)

Union Pacific Railroad
Mr Chuck Saylor
1400 Douglas Street
Mail Stop 1580
Omaha, NE 68179

Dear Mr. Saylor:

The Natural Resources Conservation Service (NRCS) has reviewed the above referenced project. The project sponsors are not USDA program benefit recipients, thus the wetland conservation provisions of the 1985 Food Security act, as amended are not applicable. It should be noted, however, that actions by a non-USA participant third party (project sponsor) which impact agricultural wetlands owned or operated by USA participants, may jeopardize the owner/operators USA eligibility. If such impacts are anticipated, the owner/operator should contact the Stevens County Farm Service Agency (FSA) Office to consider an application for a third party exemption.

Finally, because of the location and type of activity proposed, this project will not impact agricultural lands, and a Federal Farmland Policy Protection Act (FPPA) site assessment/land evaluation will not be required.

Sincerely

A handwritten signature in black ink, appearing to read "William E. Lorenzen", written over a horizontal line.

WILLIAM E. LORENZEN
Environmental Review/Justice Coordinator



United States Department of the Interior

FISH AND WILDLIFE SERVICE
Minnesota Valley National Wildlife Refuge
3815 American Boulevard East
Bloomington, Minnesota 55425-1600

Twin Cities ES Field Office
4101 American Boulevard East
Bloomington, Minnesota 55425-1665

FWS/MNV

June 7, 2007

Mr. Chuck Saylor,
1400 Douglas Street
Mail Stop 1580
Omaha, Nebraska 68179

Thank you for the opportunity to comment on the proposed abandonment of the Chaska Industrial Lead from milepost 38.6 near Merriam to milepost 33.0 near Chaska, Minnesota. We offer the following comments concerning the potential environmental impacts the proposed action may have on threatened or endangered species and the effects on the Minnesota Valley National Wildlife Refuge (Refuge)

Threatened or Endangered Species

No threatened or endangered species and their designated critical habitats have been documented to occur within the project site.

Affects on Minnesota Valley National Wildlife Refuge

The proposed action will have beneficial effects on the Refuge and adjacent wildlife habitat and no adverse effects. In recent years, we have been working with the Environmental Services Division of the Twin Cities Metropolitan Council concerning a proposed sanitary sewer interceptor line from Carver to Chaska. The Union Pacific Railroad requires a setback from their property line which would require the interceptor be placed on lands which support wildlife and their associated habitats. Abandonment would, potentially, allow the interceptor line to be installed under the existing railroad minimizing disturbance of existing wildlife habitat on private and Refuge lands.


In addition, the removal of the line would allow for the construction of a recreational trail which could be connected with an existing trail that connects the Cities of Carver and Chaska through the Chaska Unit of the Refuge. The result would be a full loop trail system that could serve a wide variety of recreational activities.

We appreciate the opportunity to comment and look forward to working with you in the future. If you have questions regarding our comments, please call Terry Schreiner of the Refuge at (952) 858-0705 or Nick Rowse of the Twin Cities Field Office at (612) 725-3548, extension 210.

Sincerely,


Patricia L. Martinkovic

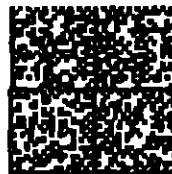
Refuge Manager
Minnesota Valley National Wildlife Refuge


Acting for
Tony Sallins

Field Supervisor
Twin Cities Ecological Services Field Office

The Minnesota Valley National Wildlife Refuge
STRONGLY SUPPORTS the proposal to abandon
the Chaska Industrial Lead from Milepost 38.6
to Milepost 33.0 by the Union Pacific Railroad

Environmental Coordinator
National Park Service
Midwest Regional Office
601 Riverfront Drive
Omaha, NE 68102



049J82036859
\$00.260
05/16/2007
Marked From 68102
US POSTAGE

Union Pacific Railroad
1400 Douglas Street, Stop 1580
Omaha, Nebraska 68179-1580

REC'D UPRR
MAY 17 2007
LAW DEPT



**Re: Proposed Abandonment, Chaska Industrial Lead, Carver and Scott Counties,
Minnesota**

We have received your letter of May 11, 2007 concerning the above referenced project.

☒ **We have no comment on your proposed actions.**

Due to limited staff and the number of requests we receive for early coordination, we ask that companies/agencies assume we will have no comments on projects if they have not heard from us within 30 days of our receipt of the request.

Thank you,

Regional Environmental Coordinator



Law Department

May 11, 2007

Minnesota Historical Society
345 Kellogg Blvd. West
St Paul, MN 55102-1908

Re Proposed Abandonment of the Chaska Industrial Lead from Milepost 38.6 near Memam to Milepost 33.0 near Chaska, a distance of 5.60 miles in Carver and Scott Counties, Minnesota, STB Docket No. AB-33 (Sub-No 255)

Dear Sir:

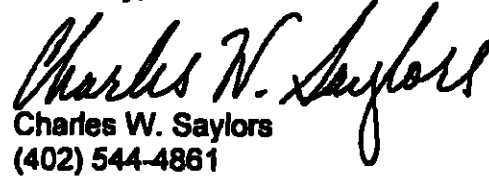
Enclosed for your review are fifteen photographs of the bridges located on the Homedale Industrial Lead which are over 50 years old, along with a map of the proposed abandonment. The bridges are described as follows:

<u>Milepost</u>	<u>Description</u>	<u>Length</u>	<u>Year Constructed</u>
33.72	4 Span Rail Timber Pile Trestle Open Deck (TPTOD)	54'	1958
34.25	5 Span Rail Timber Pile Trestle Open Deck (TPTOD)	67'	1958
36.17	6 Span Deck Plate Girder Ballast Deck (DPG)	139'	1900
	1 Span Beam	32'	1900
	28 Span Rail Timber Pile Trestle Open Deck (TPTOD)	371'	1900
36.77	39 Span Rail Timber Pile Trestle Open Deck (TPTOD)	529'	1954
37.14*	10 Span Rail Timber Pile Trestle Open Deck (TPTOD)	136'	1947

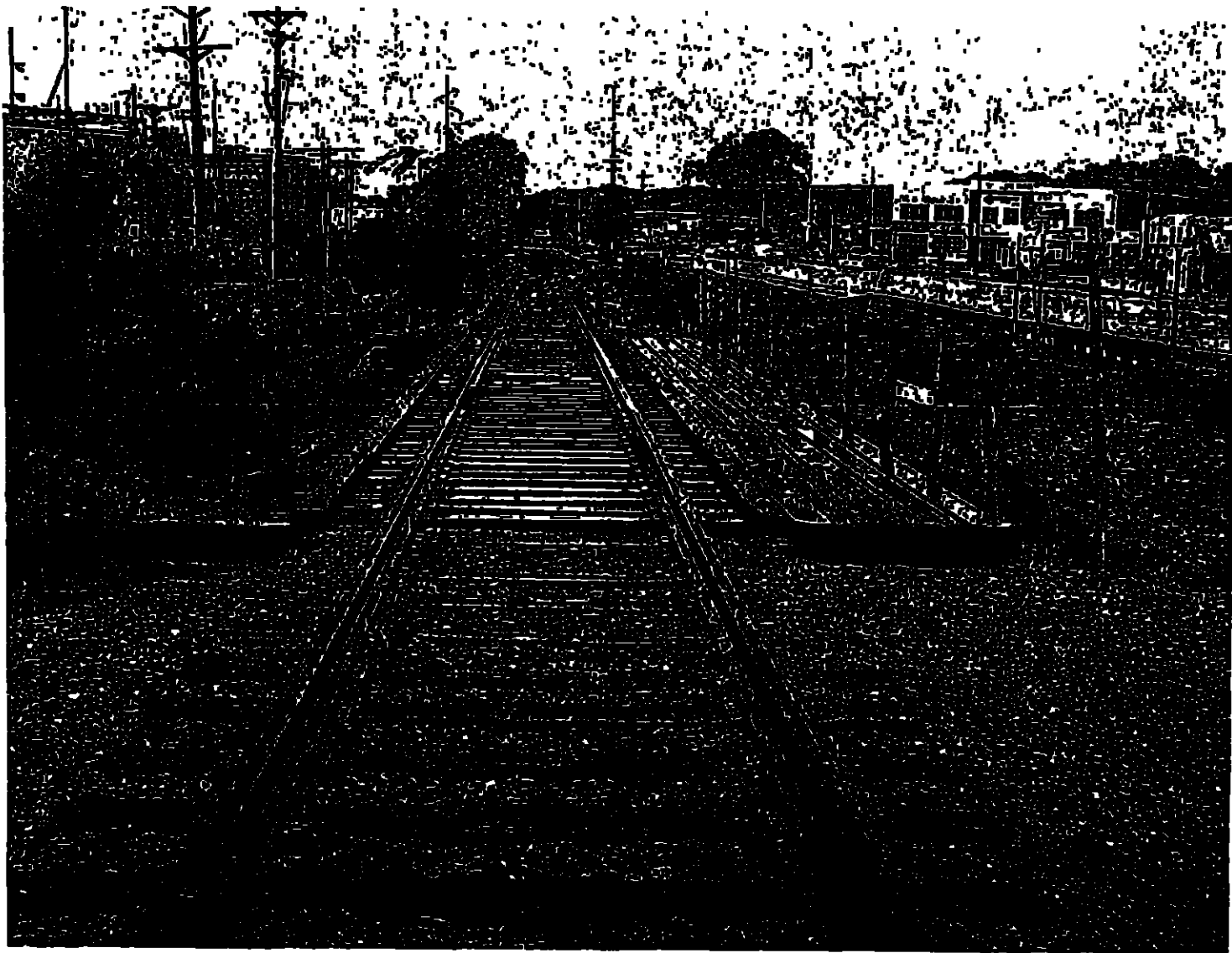
*On March 23, 2007 a train derailment destroyed the bridge at Milepost 37.14. Also attached is a photograph of the bridge after the derailment.

Please advise if you believe there is historical significance to any of the bridges
Thank you for your assistance.

Sincerely,


Charles W. Saylor
(402) 544-4861

Attachments



MP 33.72



MP 33.72



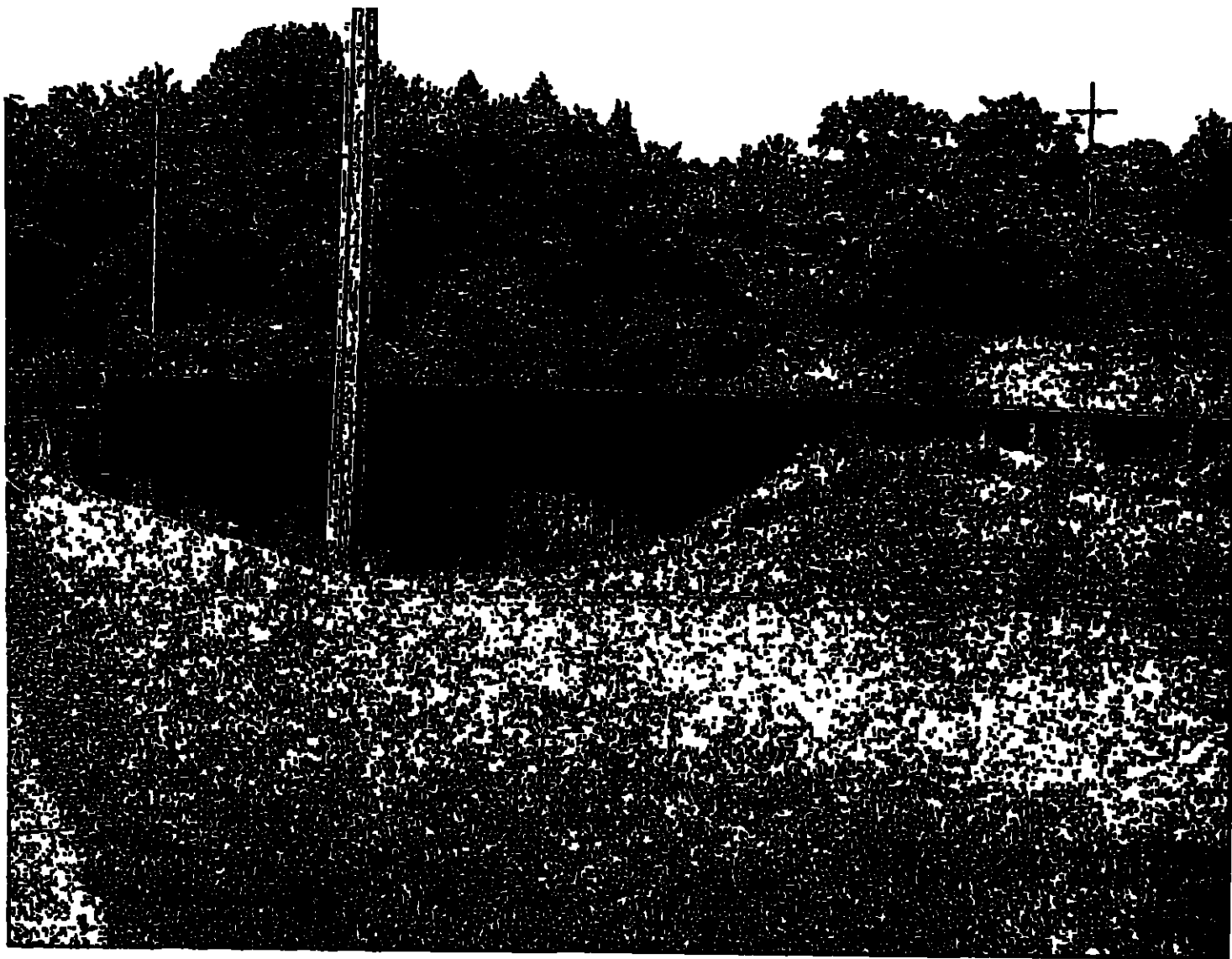
MP 34.25



MP 34.25



MP 34.75



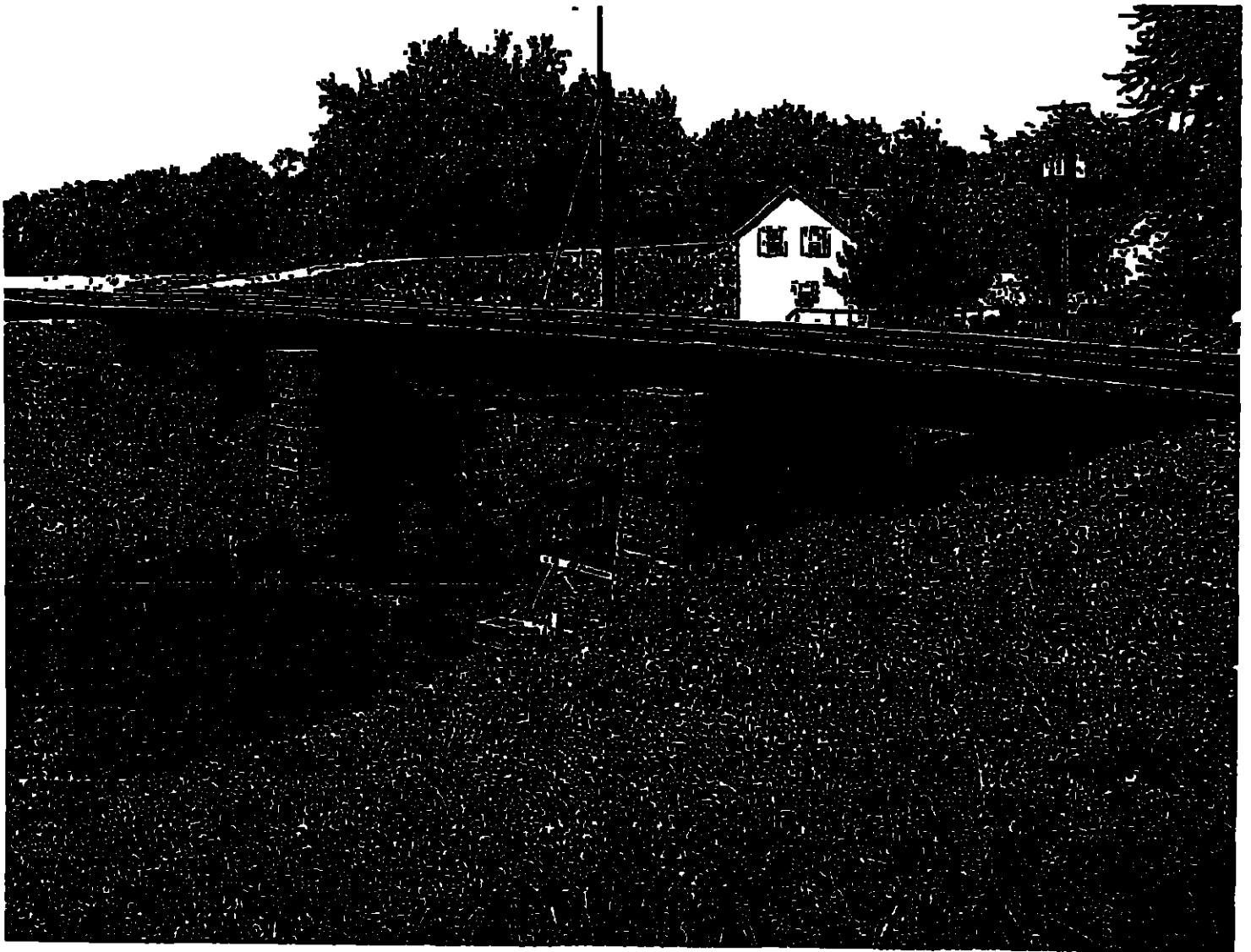
MP 34.75



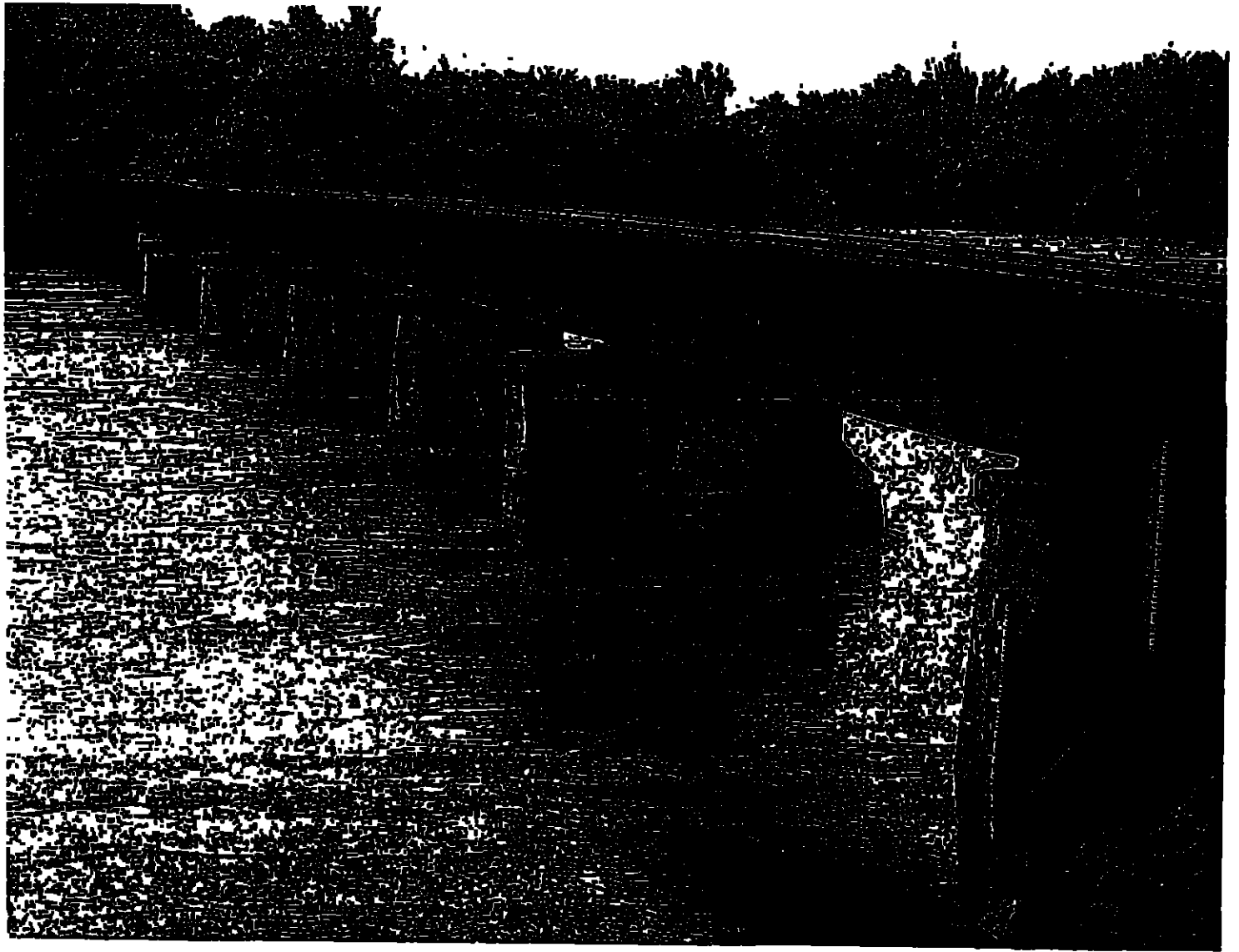
MP 36.17



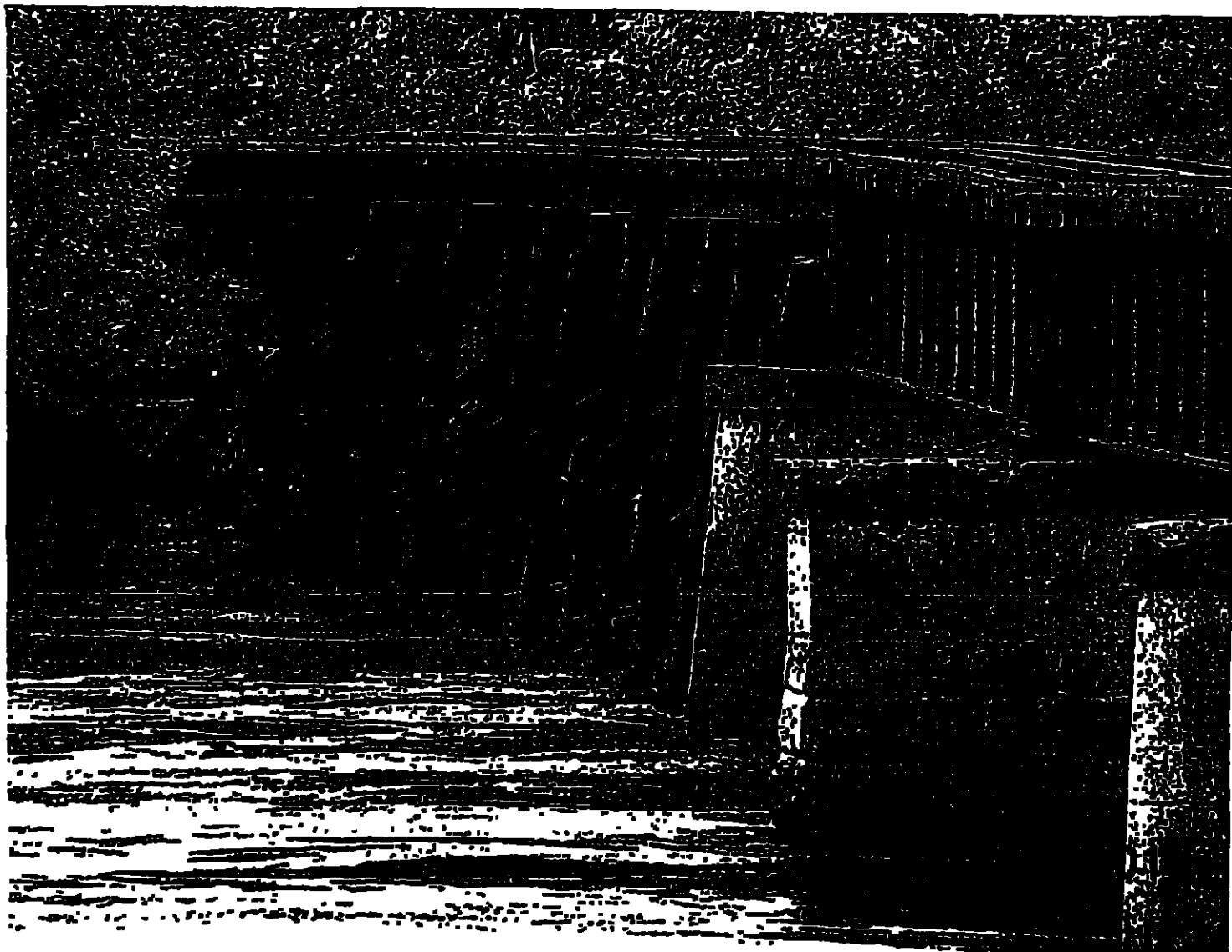
MP 36.17



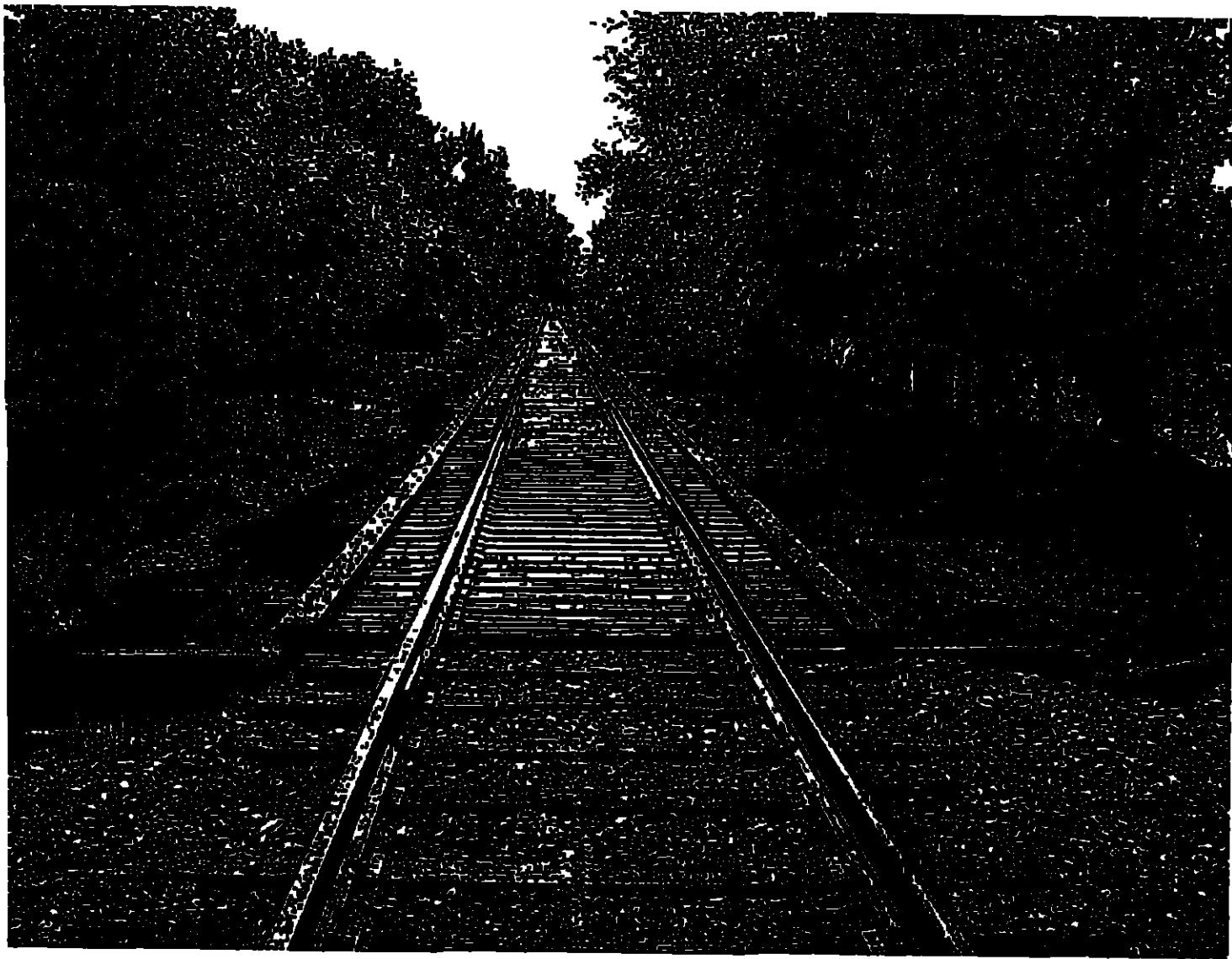
UP 36.17



MP 36.17



MP 36.17



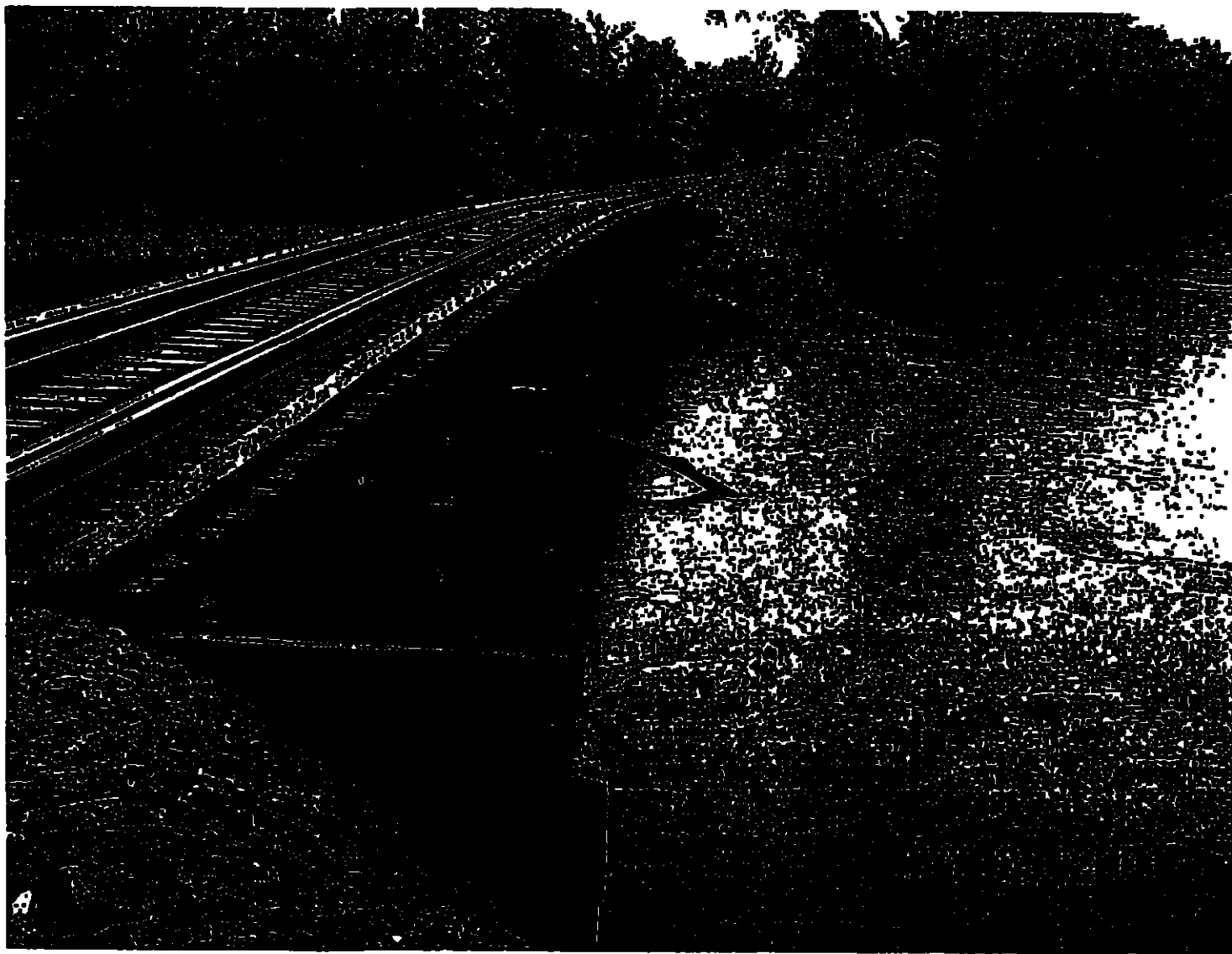
MP 36.77



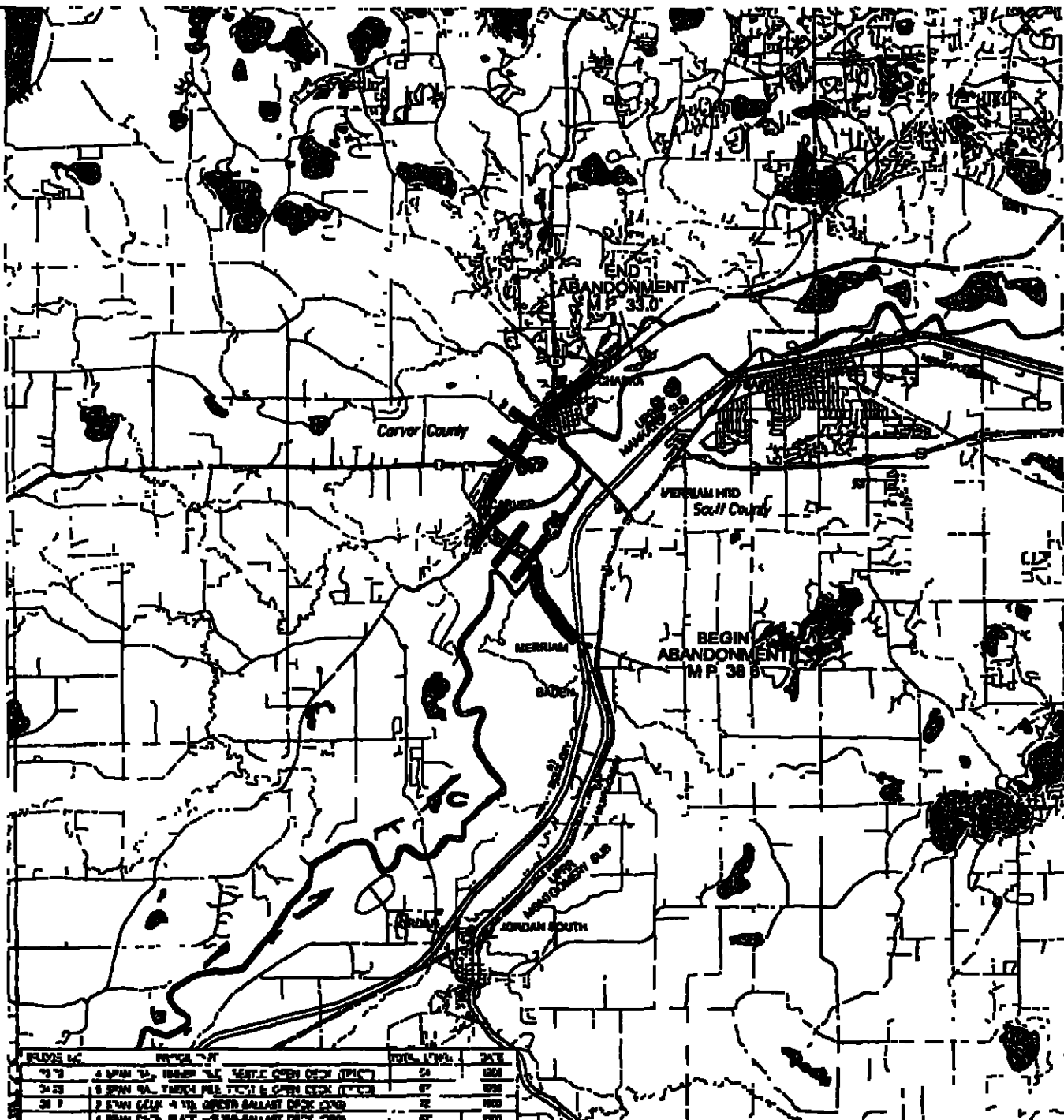
MP 36.77



MP 37.14



MP 37.14



STRUCTURE	TYPE	SPAN	DATE
101	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
102	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
103	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
104	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
105	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
106	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
107	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
108	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
109	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
110	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
111	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
112	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
113	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
114	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
115	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
116	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
117	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
118	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
119	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928
120	2 SPAN 14' TIMBER PILE TRESTLE OPEN DECK (TPO)	28	1928

LEGEND

- UPRR LINES TO BE ABANDONED
- OTHER UPRR LINES
- OTHER RAILROADS
- RAILROADS (abandoned)
- PRINCIPAL HIGHWAYS
- OTHER ROADS
- 50+ YEAR OLD STRUCTURES

CHASKA INDUSTRIAL LEAD

MP 33.0 TO MP 38.6
TOTAL OF 5.60 MILES
3.25 MILES IN CARVER COUNTY
2.35 MILES IN SCOTT COUNTY

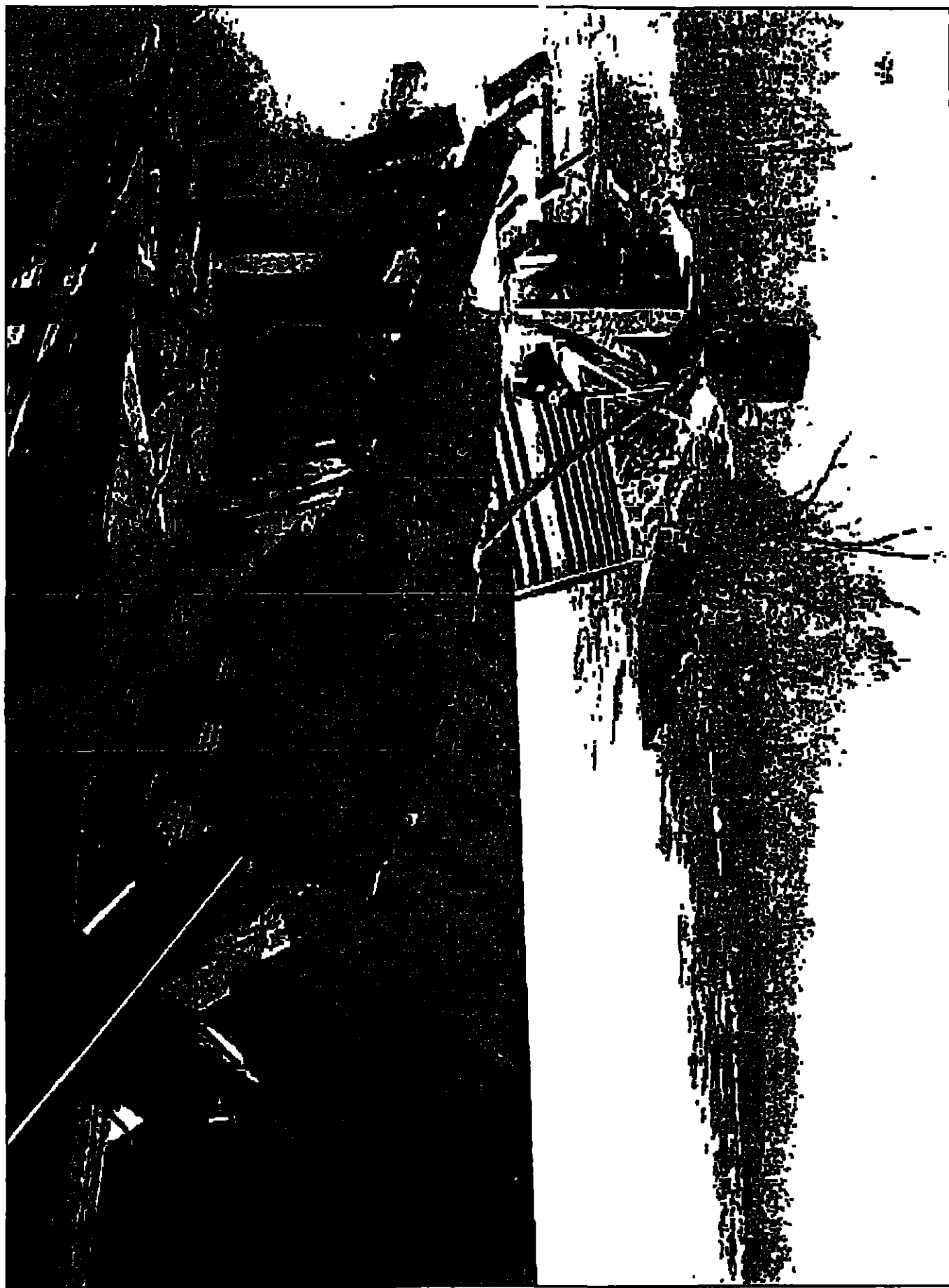
UNION PACIFIC RAILROAD CO
CHASKA INDUSTRIAL LEAD
MINNESOTA

INCLUDING 50+ YEAR OLD STRUCTURES

SCALE MILES

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DATE 10-Apr-07 11:19





MINNESOTA HISTORICAL SOCIETY

State Historic Preservation Office

June 18, 2007

Mr. Charles Saylor
Union Pacific Railroad
1400 Douglas Street, STOP 1580
Omaha, NE 68179-1580

Re Union Pacific Railroad - proposed abandonment from milepost 38.6 near Merriam to milepost 33.0 near Chaska,
Carver & Scott Counties
SHPO Number 2007-1869

Dear Mr. Saylor,

Thank you for the opportunity to review and comment on the above project. It has been reviewed pursuant to the responsibilities given the State Historic Preservation Officer by the National Historic Preservation Act of 1966 and the Procedures of the Advisory Council on Historic Preservation (36CFR800).

Your review submittal includes information on fifteen bridges, and requests our opinion about the historical significance of these bridges. However, the identification process for the Section 106 review needs to address more than these bridges. The significance of the rail line itself, as well as any associated structures and buildings, also need to be addressed.

We recommend that you work with the Surface Transportation Board to evaluate the significance of the rail line, including the bridges. We look forward to reviewing the results of that evaluation.

We note that our inventory includes a building known as the Merriam Junction Depot, located near the southern end of the section proposed for abandonment. This building was inventoried about 1980. Its current status is not known. This building also needs to be included in the evaluation. A portion of the abandonment also passes through and/or adjacent to the Carver Historic District, which is listed on the National Register of Historic Places. Effects on elements of this district, including a restored railroad water tower, need to be considered. There are also several inventoried and/or listed historic properties within the city of Chaska. Some of these properties may require further evaluation if they lie within the area of potential effect.

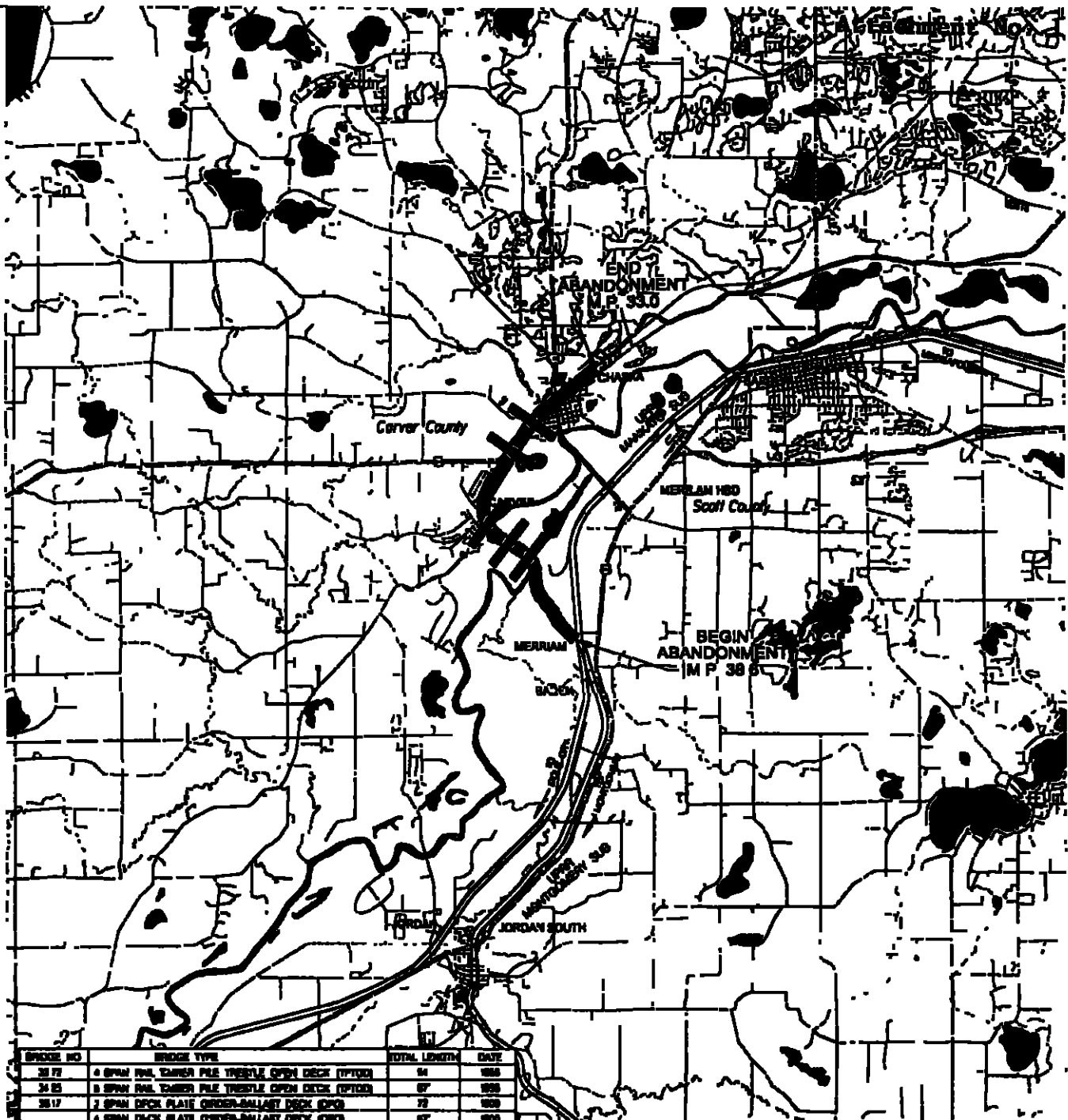
We look forward to working with you and the Surface Transportation Board to complete this review. Contact us at 651-259-3455 with questions or concerns.

Sincerely,

Dennis A. Gimmesstad
Government Programs & Compliance Officer

cc Chaska Heritage Preservation Commission
Carver Heritage Preservation Commission

1



BRIDGE NO	BRIDGE TYPE	TOTAL LENGTH	DATE
3872	4 SPAN RAIL TANKER PILE TRUSS OPEN DECK (TPOD)	54	1986
3873	8 SPAN RAIL TANKER PILE TRUSS OPEN DECK (TPOD)	87	1986
3877	7 SPAN DECK PLATE GIRDERS-BALLAST DECK (GPOD)	72	1980
	4 SPAN DECK PLATE GIRDERS-BALLAST DECK (GPOD)	57	1980
	1 SPAN BEAM	27	1980
	88 SPAN RAIL TANKER PILE TRUSS OPEN DECK (TPOD)	37	1980
3877	25 SPAN RAIL TANKER PILE TRUSS OPEN DECK (TPOD)	828	1984
374	10 SPAN RAIL TANKER PILE TRUSS OPEN DECK (TPOD)	76	1947

LEGEND

- UPRR LINES TO BE ABANDONED
- OTHER UPRR LINES
- OTHER RAILROADS
- RAILROADS (abandoned)
- PRINCIPAL HIGHWAYS
- OTHER ROADS
- 50+ YEAR OLD STRUCTURES

CHASKA INDUSTRIAL LEAD

MP 33.0 TO MP 38.6

TOTAL OF 5.63 MILES

3.23 MILES IN CARVER COUNTY

2.37 MILES IN SCOTT COUNTY

UNION PACIFIC RAILROAD CO
CHASKA INDUSTRIAL LEAD
MINNESOTA

INCLUDING 50+ YEAR OLD STRUCTURES

SCALE



MILES

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DATE 10-Apr-07 11:19

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Law Department

(402) 501-0127 (FAX)

May 11, 2007

State Clearinghouse (or alternate):

Minnesota Planning
658 Cedar Street, Room 300
St Paul, MN 55155

State Environmental Protection Agency:

Minnesota Pollution Control Agency
520 Lafayette Road
St Paul, MN 55155-4194

State Coastal Zone Management Agency

(if applicable):

Not Applicable

Head of each County:

Carver County Supervisors
600 East 4th Street
County Courthouse
Chaska, MN 55318-2102

Scott County Supervisors
200 Fourth Avenue West
County Government Center
Shakopee, MN 55379-1220

Environmental Protection Agency

(Regional Office):

U S Environmental Protection Agency
Region 5
77 West Jackson Blvd
Chicago, IL 60604

U.S. Fish and Wildlife:

U S Fish & Wildlife Service, Region 3
1 Federal Drive
BHW Federal Building
Fort Snelling MN 55111

U.S. Army Corps of Engineers:

U S. Army Corps of Engineers
St Paul District
190 Fifth Street East
St Paul, MN 55101-1638

National Park Service:

National Park Service
Midwest Region
601 Riverfront Drive
Omaha, NE 68102

U.S. Natural Resources Conservation Service:

State Conservationist
Natural Resource Conservation Service
375 Jackson Street, Suite 600
St Paul, MN 55101-1854

National Geodetic Survey:

National Geodetic Survey
Edward J McKay, Chief
Spatial Reference System Division
NOAA N/NGS2
1315 E-W Highway
Silver Spring, MD 20910-3282

State Historic Preservation Office:

Minnesota Historical Society
345 Kellogg Blvd West
St Paul, MN 55102-1806

Re. Proposed Abandonment of the Chaska Industrial Lead from Milepost 38.6 near Merriam to Milepost 33.0 near Chaska, a distance of 5.60 miles in Carver and Scott Counties, Minnesota; STB Docket No AB-33 (Sub-No. 255)

Dear Sirs:

Union Pacific Railroad Company plans to request authority from the Surface Transportation Board (STB) to abandon and discontinue service on the Chaska Industrial Lead from Milepost 38.6 near Merriam to Milepost 33.0 near Chaska, a distance of 5.60 miles in Carver and Scott Counties, Minnesota. A map of the proposed track abandonment shown in black is attached.

Pursuant to the STB's regulations at 49 C.F.R. Part 1152, and the environmental regulations at 40 C.F.R. Part 1105.7, this is to again request your assistance in identifying any potential effects of this action as indicated in the paragraphs below. We do not anticipate any adverse environmental impacts. However, if you identify any adverse environmental impacts, describe any actions that are proposed in order to mitigate the environmental impacts. Please provide us with a written response that can be included in an Environmental Report, which will be sent to the STB.

LOCAL AND/OR REGIONAL PLANNING AGENCIES. State whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

U. S. SOIL CONSERVATION SERVICE. State the effect of the proposed action on any prime agricultural land.

U. S. FISH AND WILDLIFE SERVICE (And State Game And Parks Commission, If Addressed). State (1) whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects, and, (2) whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

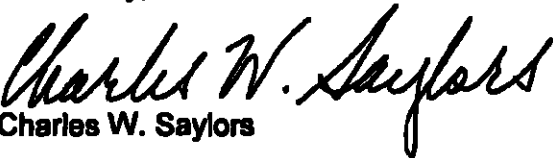
STATE WATER QUALITY OFFICIALS. State whether the proposed action is consistent with applicable Federal, State or Local water quality standards. Describe any inconsistencies.

U. S. ARMY CORPS OF ENGINEERS. State (1) whether permits under Section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and (2) whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.

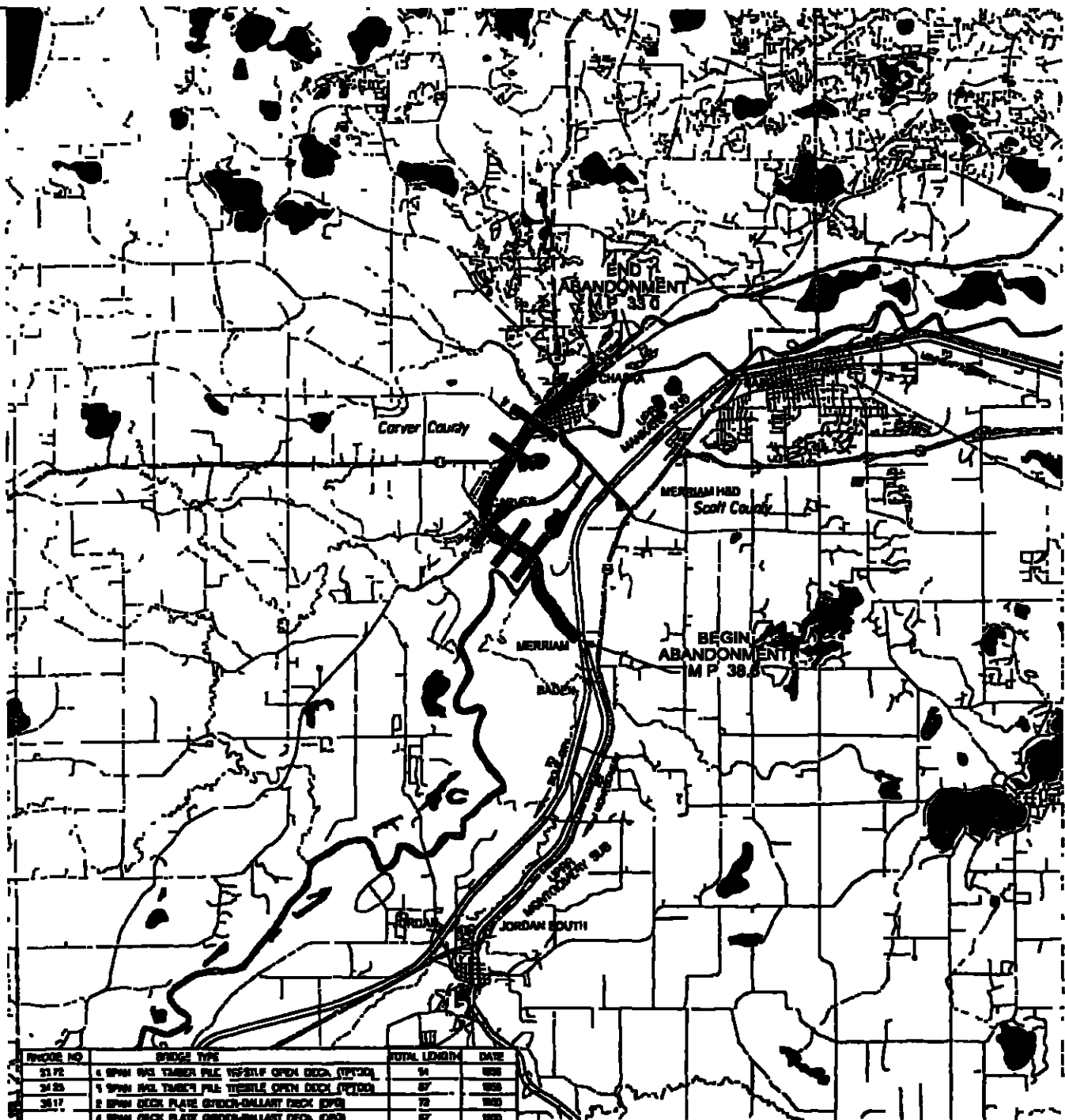
U. S. ENVIRONMENTAL PROTECTION AGENCY AND STATE ENVIRONMENTAL PROTECTION (OR EQUIVALENT AGENCY). (1) Identify any potential effects on the surrounding area, (2) identify the location of hazardous waste sites and known hazardous material spills on the right-of-way and list the types of hazardous materials involved, and (3) state whether permits under Section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action.

Thank you for your assistance. Please send your reply to Union Pacific Railroad, Mr. Chuck Saylor, 1400 Douglas Street, Mail Stop 1580, Omaha, NE, 68179. If you need further information, please contact me at (402) 544-4861.

Yours truly,


Charles W. Saylor

Attachment



BRIDGE NO	BRIDGE TYPE	TOTAL LENGTH	DATE
3172	1 SPAN RAIL TIMBER PILE TRESTLE OPEN DECK (TPOCD)	54	1928
3425	1 SPAN RAIL TIMBER PILE TRESTLE OPEN DECK (TPOCD)	67	1928
3517	2 SPAN DECK PLATE GIRDERS-BALLAST DECK (CPGD)	73	1928
	4 SPAN DECK PLATE GIRDERS-BALLAST DECK (CPGD)	67	1928
	1 SPAN BEAM	27	1928
	21 SPAN RAIL TIMBER PILE TRESTLE OPEN DECK (TPOCD)	371	1928
3677	38 SPAN RAIL TIMBER PILE TRESTLE OPEN DECK (TPOCD)	538	1928
3714	10 SPAN RAIL TIMBER PILE TRESTLE OPEN DECK (TPOCD)	135	1927

LEGEND

- UPRR LINES TO BE ABANDONED
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CHASKA INDUSTRIAL LEAD

MP 33.0 TO MP 38.6
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2.37 MILES IN SCOTT COUNTY

**UNION PACIFIC RAILROAD CO.
CHASKA INDUSTRIAL LEAD
MINNESOTA**

INCLUDING 50+ YEAR OLD STRUCTURES



FILE: 0\abandonments\ab33_255_chaska_v8.dgn

DATE 10-Apr-07 11:49

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Office of County Commissioners
Carver County Government Center
Human Services Building
602 East Fourth Street
Chaska, MN 55318-1202
Phone. 952 361-1510
Fax 952 361-1581

Gayle O. Degler
County Commissioner
District #1

June 12, 2007

Tom Workman
County Commissioner
District #2

Charles W. Saylor
Union Pacific Railroad
1400 Douglas Street
STOP 1580
Omaha, NE 68179-1580

**Re: Union Pacific Railroad Abandonment of the Union Pacific Rail Line in
Carver and Scott Counties, STB Docket No. AB 33(Sub No. 255)**

Dear Secretary:

Randy Maluchnik
County Commissioner
District #3

This request is filed on behalf of Carver County Regional Railroad Authority, which is a county government agency interested in transportation and recreation hereinafter referred to as "proponent." Proponent requests issuance of a Public Use Condition as well as an Interim Trail Use Condition rather than an outright abandonment authorization of the Chaska Industrial Lead from Mile post 38.6 near Merriam to Milepost 33.0 near Chaska, a distance of 5.6 miles in Carver and Scott Counties, Minnesota.

Tim Lynch
County Commissioner
District #4

A. Request For Public Use Condition

Proponent asks the STB to find that this property is suitable for other public use, specifically trail use, future rail use and other public transportation uses, and to place the following conditions on the abandonment:

James M. Ische
County Commissioner
District #5

1. An order prohibiting the carrier from disposing of the corridor, other than the tracks, ties and signal equipment, except for public use on reasonable terms. Justification for this condition is the rail corridor in question is planned for future transportation and recreation purposes and will connect to the metropolitan area regional trail system. The corridor will make an excellent interim trail and is a part of the Carver County Comprehensive Plan. In addition, the corridor provides important wildlife habitat and open space and its preservation as an interim recreational trail is consistent with those purposes. In addition, the Carver County Regional Railroad Authority has not had time to review title information or commence negotiations with Union Pacific Railroad. The time period sought is 180 days from the effective date of the abandonment authorization.

2. An order barring removal or destruction of potential trail-related structures such as bridges, trestles, culverts and tunnels. The justification for this condition is that these structures have considerable value for recreational trail purposes. The time period sought is 180 days from the effective date of the abandonment authorization for the same reason as indicated above

B. Request For Interim Trail Use

The railroad right-of-way in this proceeding is suitable for railbanking. In addition to the public use conditions sought above, proponent also makes the following request:

STATEMENT OF WILLINGNESS TO ASSUME FINANCIAL RESPONSIBILITY

In order to establish interim trail use and railbanking under section 8(d) of the National Trails System Act, 16 U.S.C. §1247(d), and 49 CFR §1152.29, Carver County Regional Railroad Authority is willing to assume full responsibility for management of, for any legal liability arising out of the transfer or use of (unless the user is immune from liability, in which case it need only indemnify the railroad against any potential liability), and for the payment of any and all taxes that may be levied or assessed against the right-of-way owned by Union Pacific Railroad Company

The property, known as the Chaska Industrial Lead from Milepost 38.6 near Merriam to Milepost 33 near Chaska, a distance of 5.6 miles in Carver and Scott Counties, Minnesota. The right-of-way is part of a line of railroad proposed for abandonment in STB Docket No. AB-33 (Sub-No. 255).

A map depicting the right-of-way is attached.

Carver County Regional Railroad Authority acknowledges that use of the right-of-way is subject to the user's continuing to meet its responsibilities described above and subject to possible future reconstruction and reactivation of the right-of-way for rail service.

By my signatures below, I certify service upon Union Pacific Railroad Company, 1400 Douglas Street, STOP 1580, Omaha, NE 68179-1580 by U.S. Mail, postage pre-paid, first class, this 12th day of June, 2007.

Respectfully submitted,



Gayle Degler, Chair
Carver County Regional Rail Authority

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United States Department of Agriculture



Natural Resources Conservation Service
375 Jackson Street, Suite 600
St. Paul, MN 55101-1854

Phone: (651) 802-7800
FAX: (651) 802-7814

May 15, 2007

IN REPLY

REFER TO: Proposed Abandonment of the Chaska Industrial Lead from Milepost 38.6 near Merriam to Milepost 33.0 near Chaska, a distance of 5.60 miles in Carver and Scott Counties, Minnesota; STB Docket No. AB-33 (Sub-No. 255)

Union Pacific Railroad
Mr. Chuck Saylor
1400 Douglas Street
Mail Stop 1580
Omaha, NE 68179

Dear Mr. Saylor:

The Natural Resources Conservation Service (NRCS) has reviewed the above referenced project. The project sponsors are not USDA program benefit recipients, thus the wetland conservation provisions of the 1985 Food Security act, as amended are not applicable. It should be noted, however, that actions by a non-USDA participant third party (project sponsor) which impact agricultural wetlands owned or operated by USDA participants, may jeopardize the owner/operators USDA eligibility. If such impacts are anticipated, the owner/operator should contact the Stevens County Farm Service Agency (FSA) Office to consider an application for a third party exemption.

Finally, because of the location and type of activity proposed, this project will not impact agricultural lands, and a Federal Farmland Policy Protection Act (FPPA) site assessment/land evaluation will not be required.

Sincerely

A handwritten signature in black ink, appearing to read "William E. Lorenzen", is written over a horizontal line.

WILLIAM E. LORENZEN
Environmental Review/Justice Coordinator

5



United States Department of the Interior

FISH AND WILDLIFE SERVICE
Minnesota Valley National Wildlife Refuge
3815 American Boulevard East
Bloomington, Minnesota 55425-1600

Twin Cities ES Field Office
4101 American Boulevard East
Bloomington, Minnesota 55425-1665

FWS/MNV

June 7, 2007

Mr Chuck Saylor,
1400 Douglas Street
Mail Stop 1580
Omaha, Nebraska 68179

Thank you for the opportunity to comment on the proposed abandonment of the Chaska Industrial Lead from milepost 38.6 near Merriam to milepost 33.0 near Chaska, Minnesota. We offer the following comments concerning the potential environmental impacts the proposed action may have on threatened or endangered species and the effects on the Minnesota Valley National Wildlife Refuge (Refuge).

Threatened or Endangered Species

No threatened or endangered species and their designated critical habitats have been documented to occur within the project site

Affects on Minnesota Valley National Wildlife Refuge

The proposed action will have beneficial effects on the Refuge and adjacent wildlife habitat and no adverse effects. In recent years, we have been working with the Environmental Services Division of the Twin Cities Metropolitan Council concerning a proposed sanitary sewer interceptor line from Carver to Chaska. The Union Pacific Railroad requires a setback from their property line which would require the interceptor be placed on lands which support wildlife and their associated habitats. Abandonment would, potentially, allow the interceptor line to be installed under the existing railroad minimizing disturbance of existing wildlife habitat on private and Refuge lands.

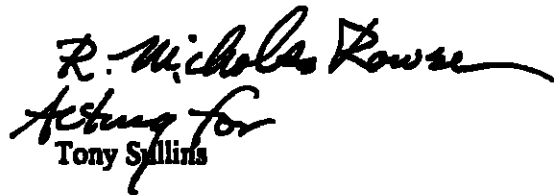
In addition, the removal of the line would allow for the construction of a recreational trail which could be connected with an existing trail that connects the Cities of Carver and Chaska through the Chaska Unit of the Refuge. The result would be a full loop trail system that could serve a wide variety of recreational activities.

We appreciate the opportunity to comment and look forward to working with you in the future. If you have questions regarding our comments, please call Terry Schreiner of the Refuge at (952) 858-0705 or Nick Rowse of the Twin Cities Field Office at (612) 725-3548, extension 210

Sincerely,


Patricia L. Martinkovic

Refuge Manager
Minnesota Valley National Wildlife Refuge


Acting for
Tony Sallins

Field Supervisor
Twin Cities Ecological Services Field Office

The Minnesota Valley National Wildlife Refuge
STRONGLY SUPPORTS the proposal to abandon
the Chaska Industrial Lead from Milepost 38.6
to Milepost 33.0 by the Union Pacific Railroad

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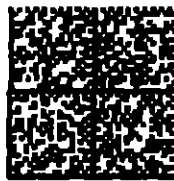
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Environmental Coordinator
National Park Service
Midwest Regional Office
601 Riverfront Drive
Omaha, NE 68102



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049J82036859

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05/16/2007

Mailed From 68102

US POSTAGE

REC'D UPRR

MAY 17 2007

LAW DEPT.

Union Pacific Railroad
1400 Douglas Street, Stop 1580
Omaha, Nebraska 68179-1580



**Re. Proposed Abandonment, Chaska Industrial Lead, Carver and Scott Counties,
Minnesota**

We have received your letter of May 11, 2007 concerning the above referenced project.

☒ We have no comment on your proposed actions.

Due to limited staff and the number of requests we receive for early coordination, we ask that companies/agencies assume we will have no comments on projects if they have not heard from us within 30 days of our receipt of the request.

Thank you,

Regional Environmental Coordinator

7



Law Department

May 11, 2007

Minnesota Historical Society
345 Kellogg Blvd West
St Paul, MN 55102-1908

Re: Proposed Abandonment of the Chaska Industrial Lead from Milepost 38.6 near Merriam to Milepost 33.0 near Chaska, a distance of 5.60 miles in Carver and Scott Counties, Minnesota, STB Docket No AB-33 (Sub-No 255)

Dear Sir:

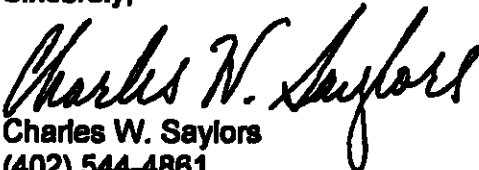
Enclosed for your review are fifteen photographs of the bridges located on the Homedale Industrial Lead which are over 50 years old, along with a map of the proposed abandonment. The bridges are described as follows:

<u>Milepost</u>	<u>Description</u>	<u>Length</u>	<u>Year Constructed</u>
33.72	4 Span Rail Timber Pile Trestle Open Deck (TPTOD)	54'	1956
34.25	5 Span Rail Timber Pile Trestle Open Deck (TPTOD)	67'	1956
36.17	6 Span Deck Plate Girder Ballast Deck (DPG)	139'	1900
	1 Span Beam	32'	1900
	28 Span Rail Timber Pile Trestle Open Deck (TPTOD)	371'	1900
36.77	39 Span Rail Timber Pile Trestle Open Deck (TPTOD)	529'	1954
37.14*	10 Span Rail Timber Pile Trestle Open Deck (TPTOD)	136'	1947

*On March 23, 2007 a train derailment destroyed the bridge at Milepost 37.14. Also attached is a photograph of the bridge after the derailment.

Please advise if you believe there is historical significance to any of the bridges
Thank you for your assistance.

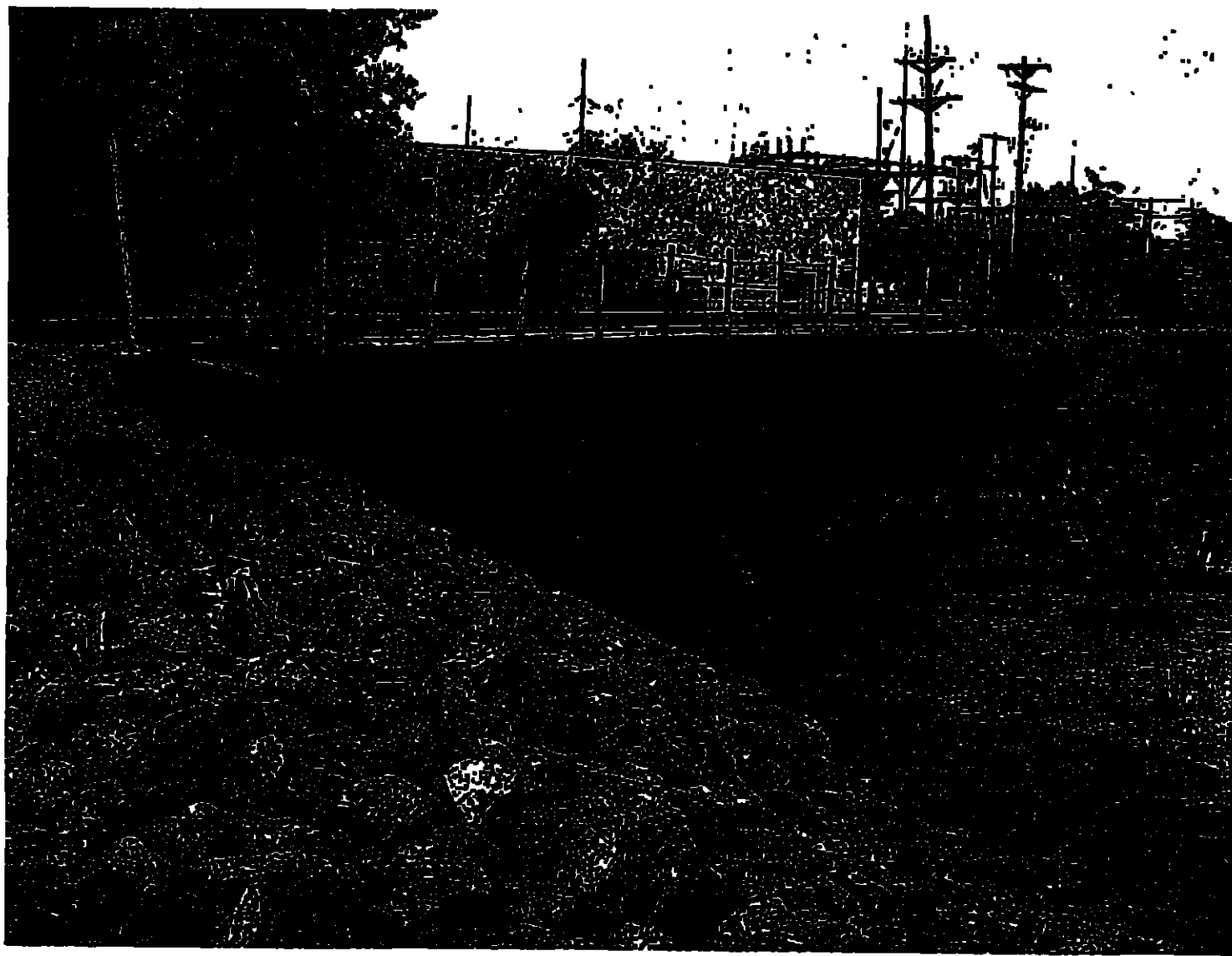
Sincerely,


Charles W. Saylor
(402) 544-4861

Attachments



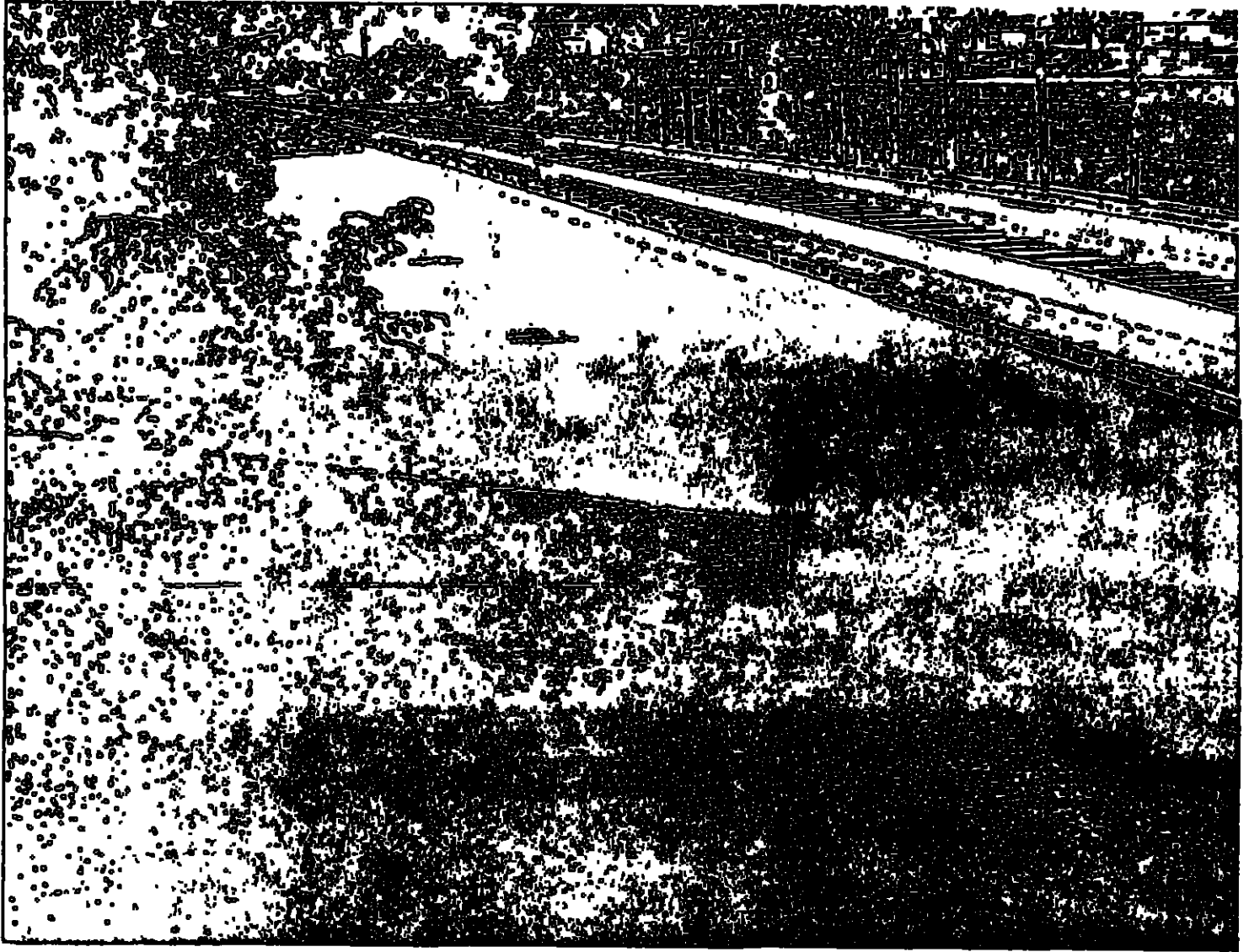
MP 33.72



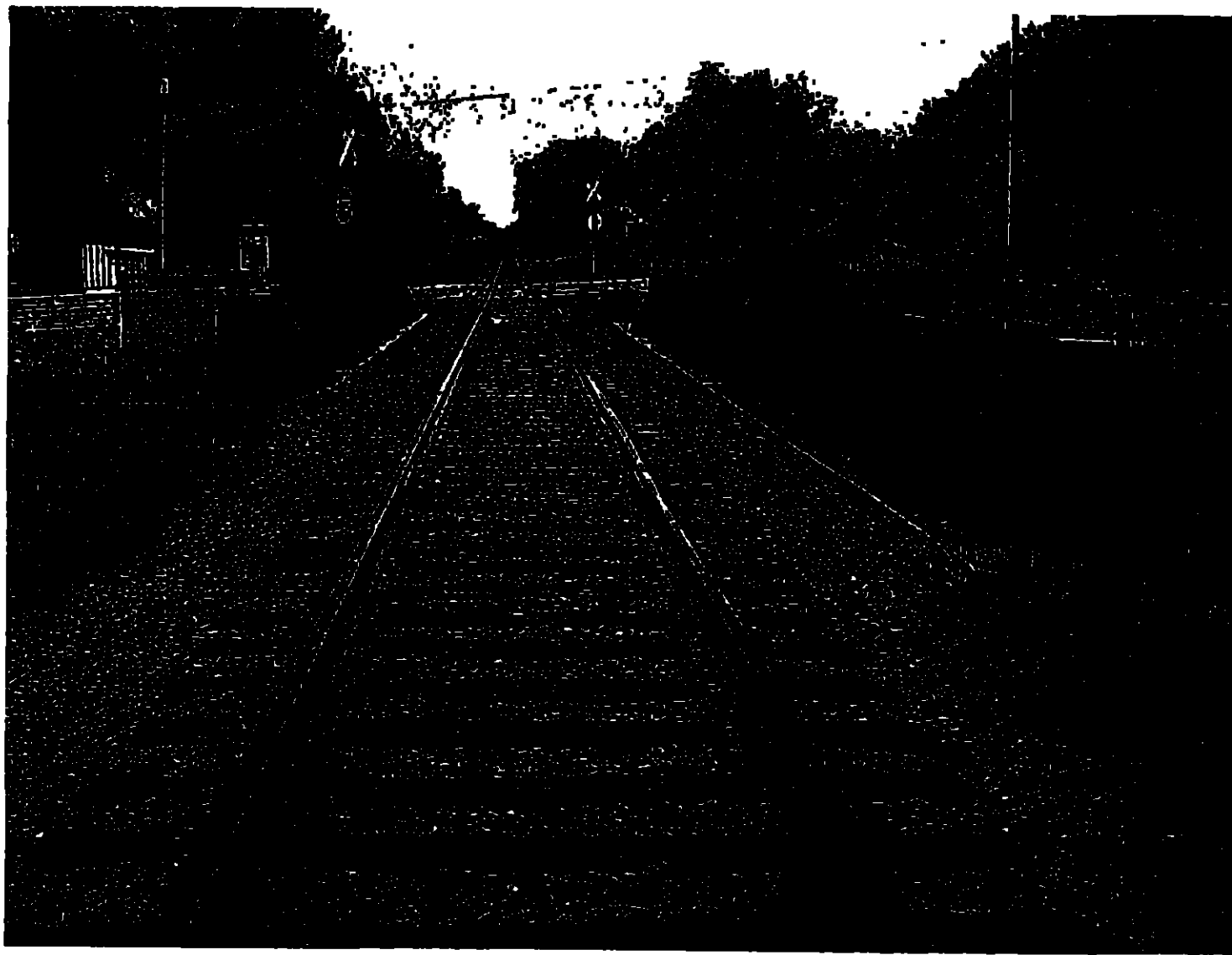
HP 33.72



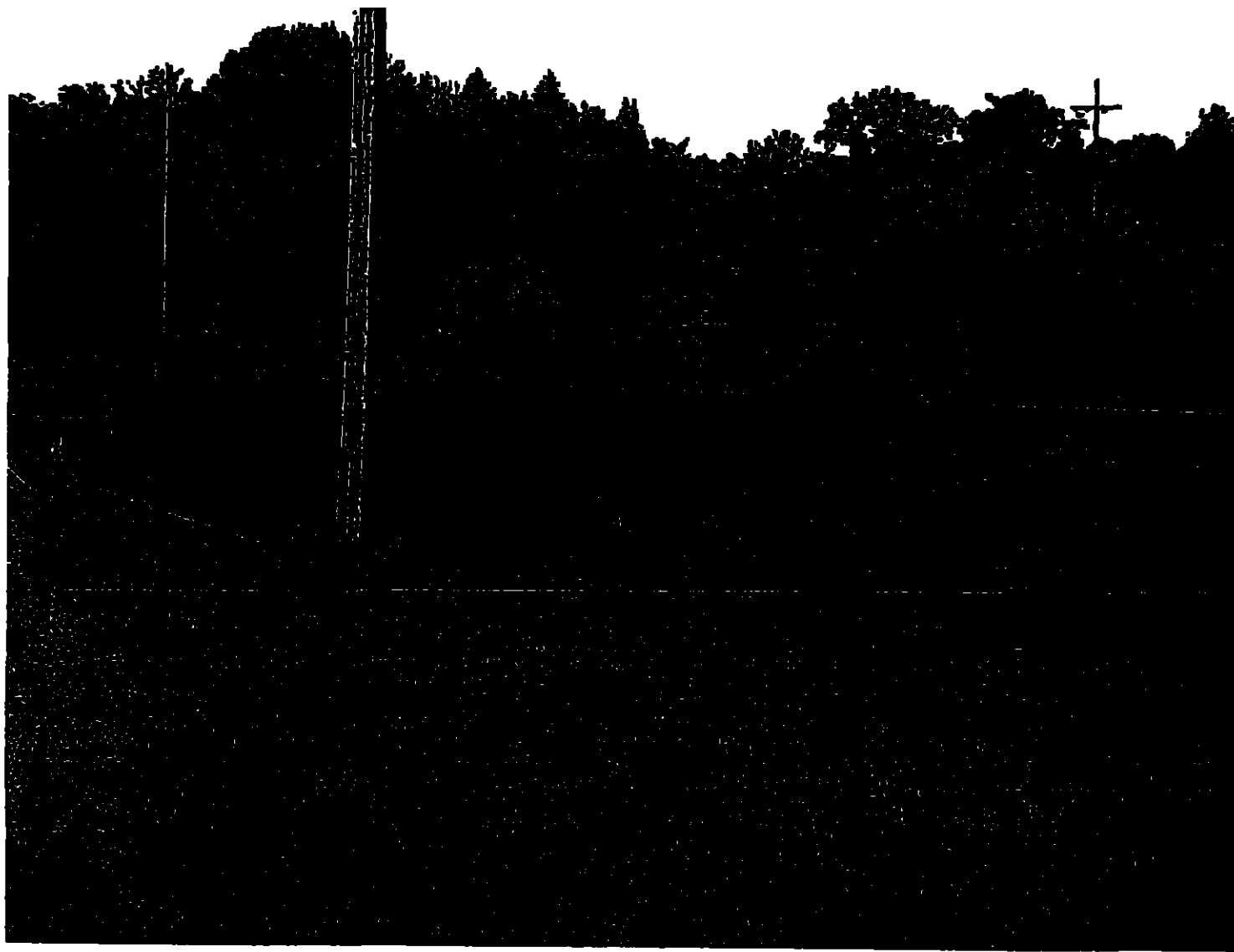
MP 34.25



MP 34.25



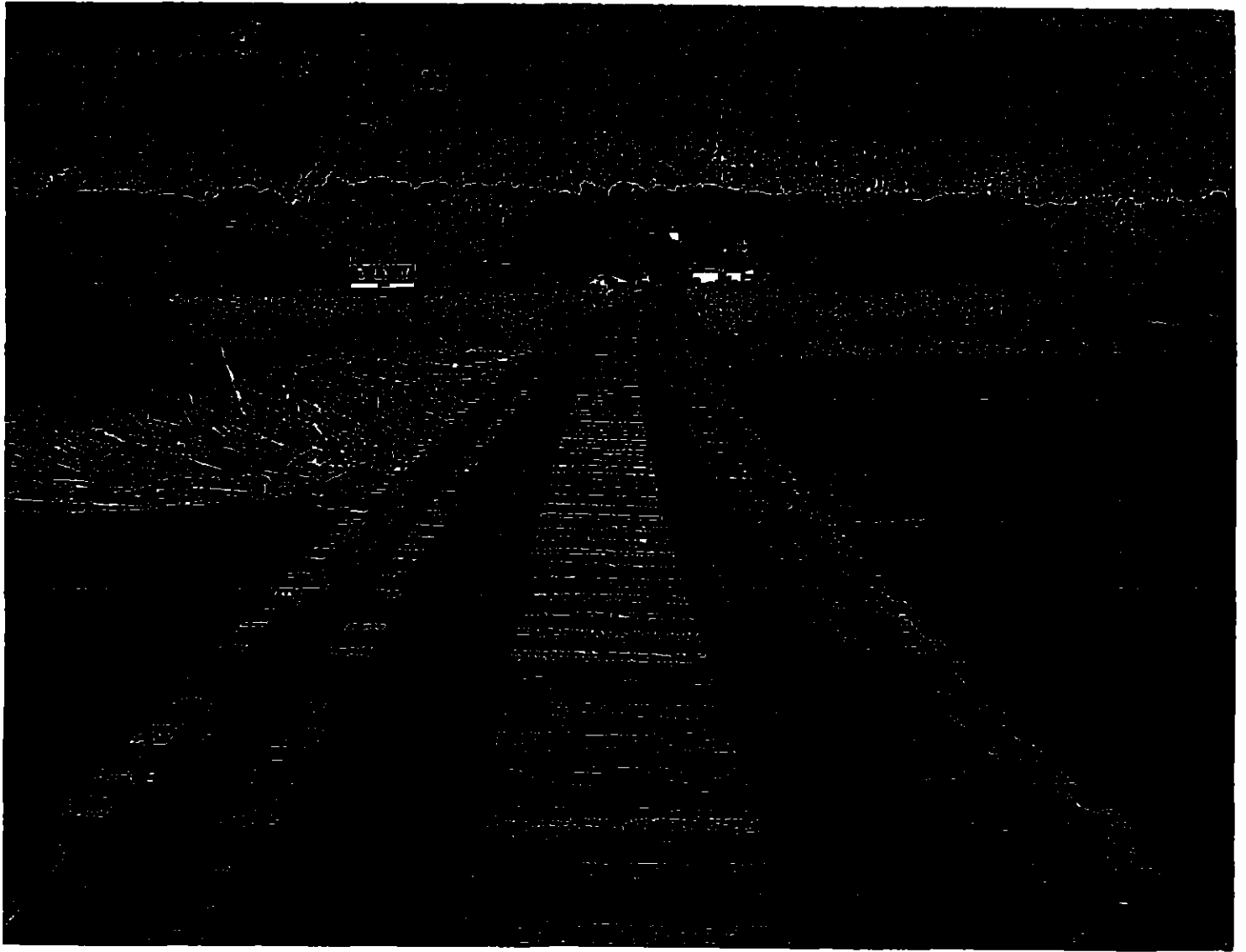
MP 34.75



MP 34.75



MP 36.17



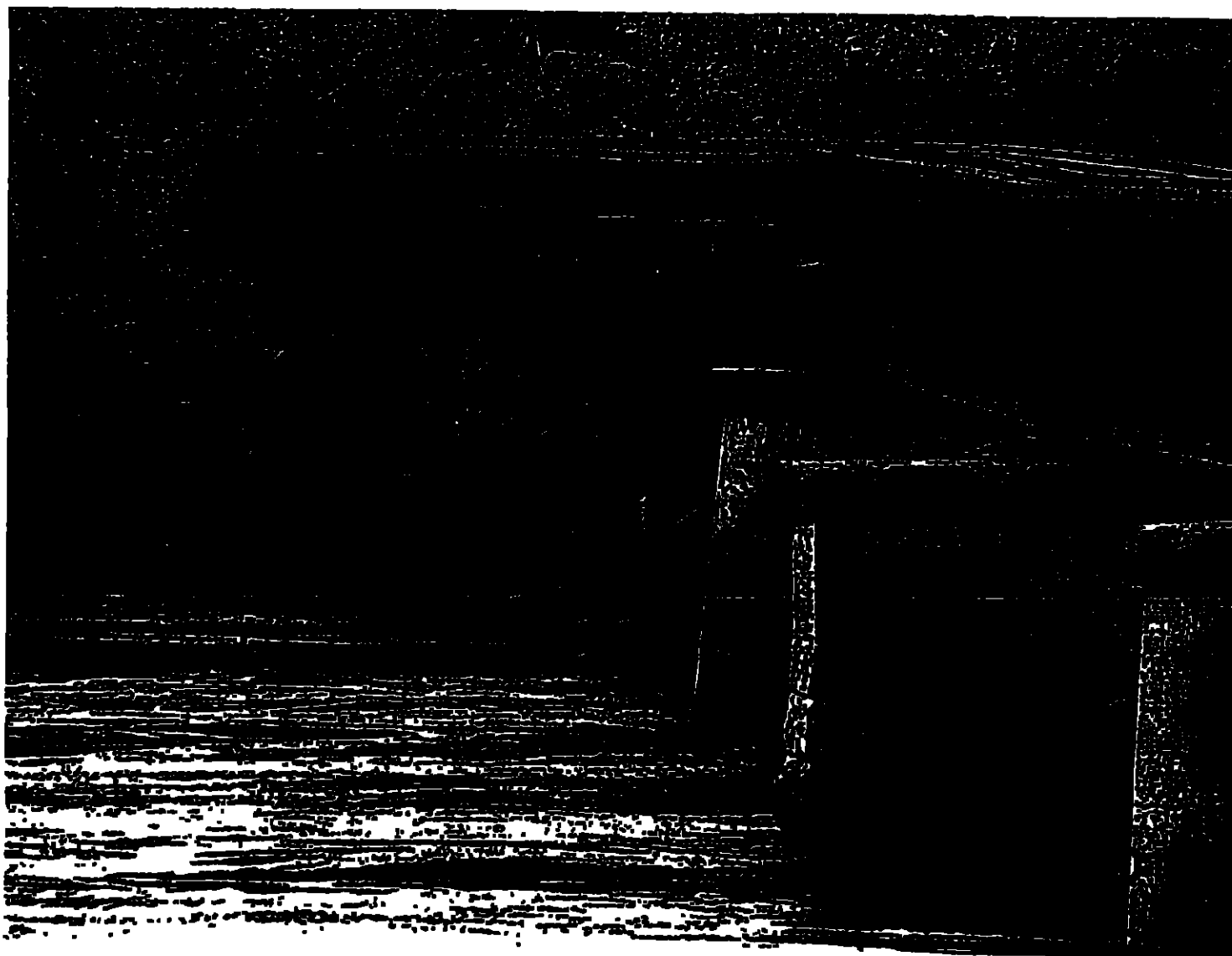
MP 36.17



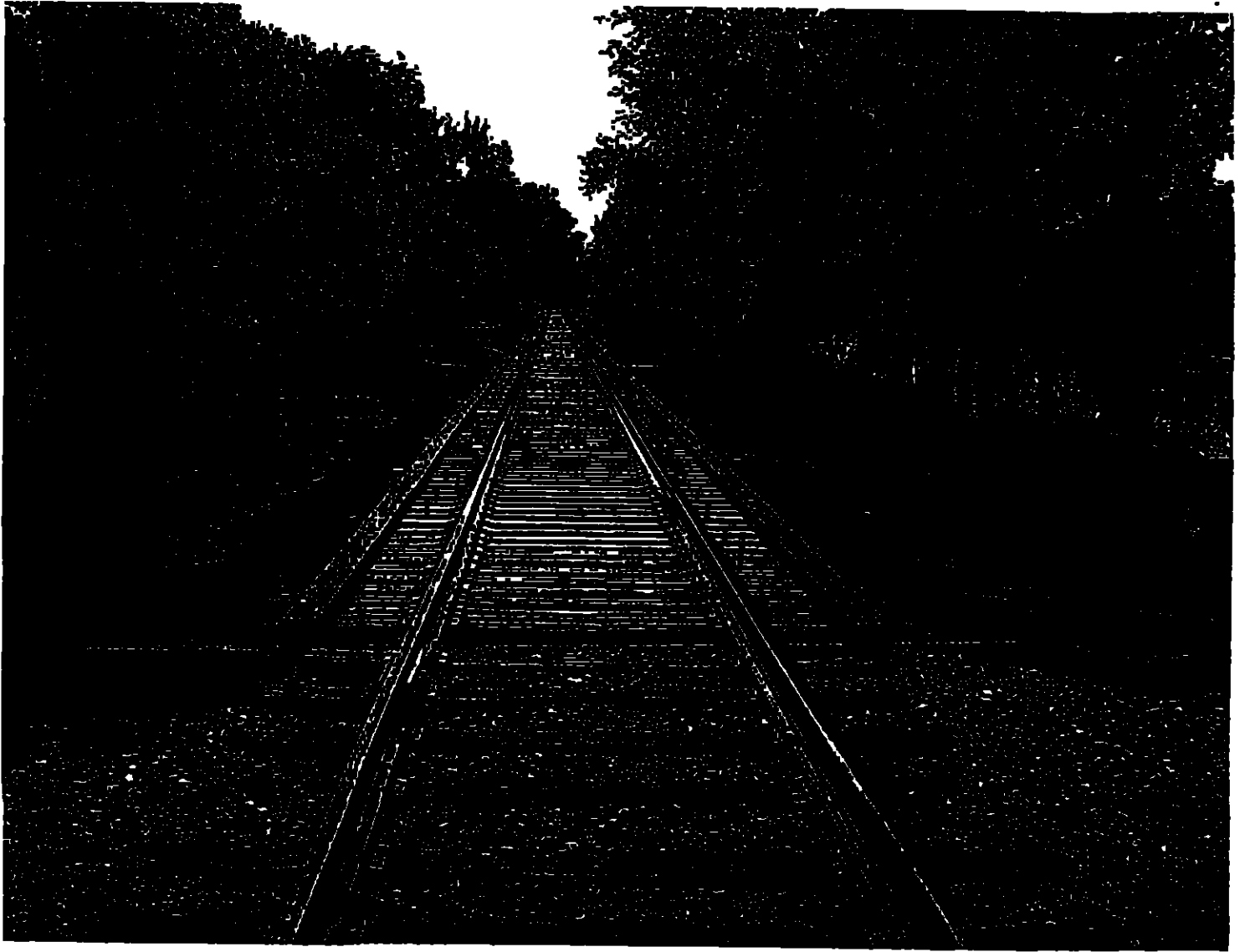
HP 36.17



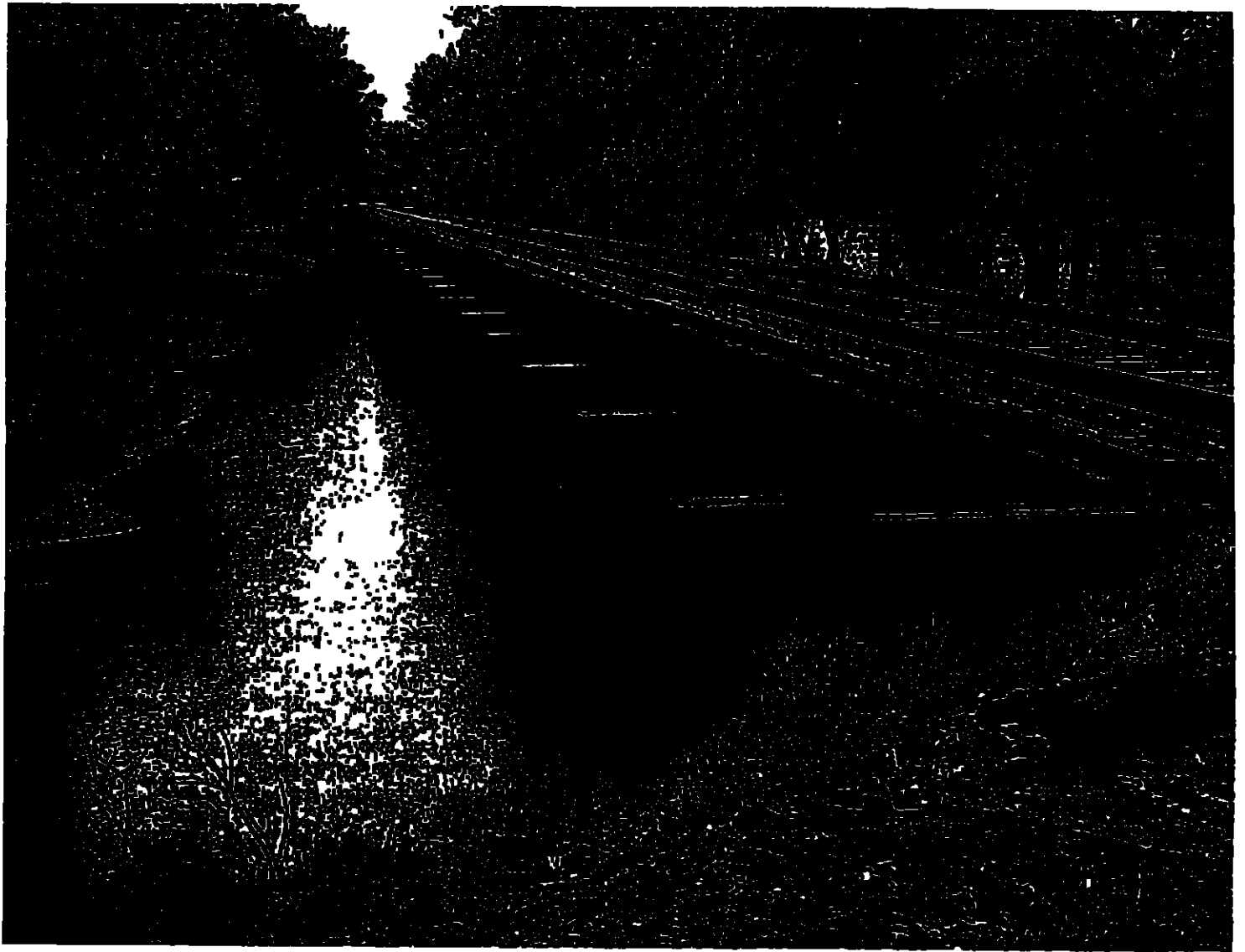
MP 36.17



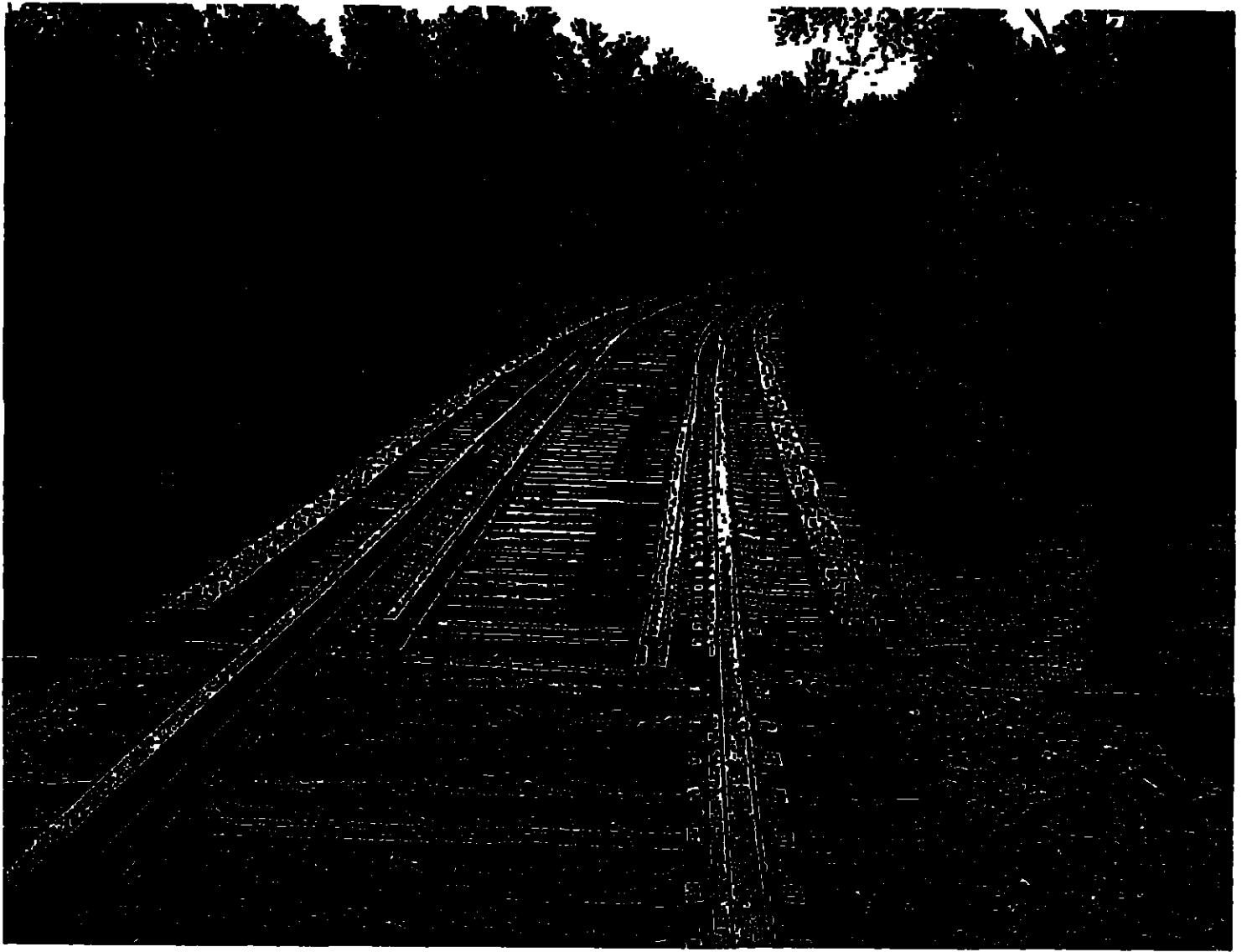
MP 36.17



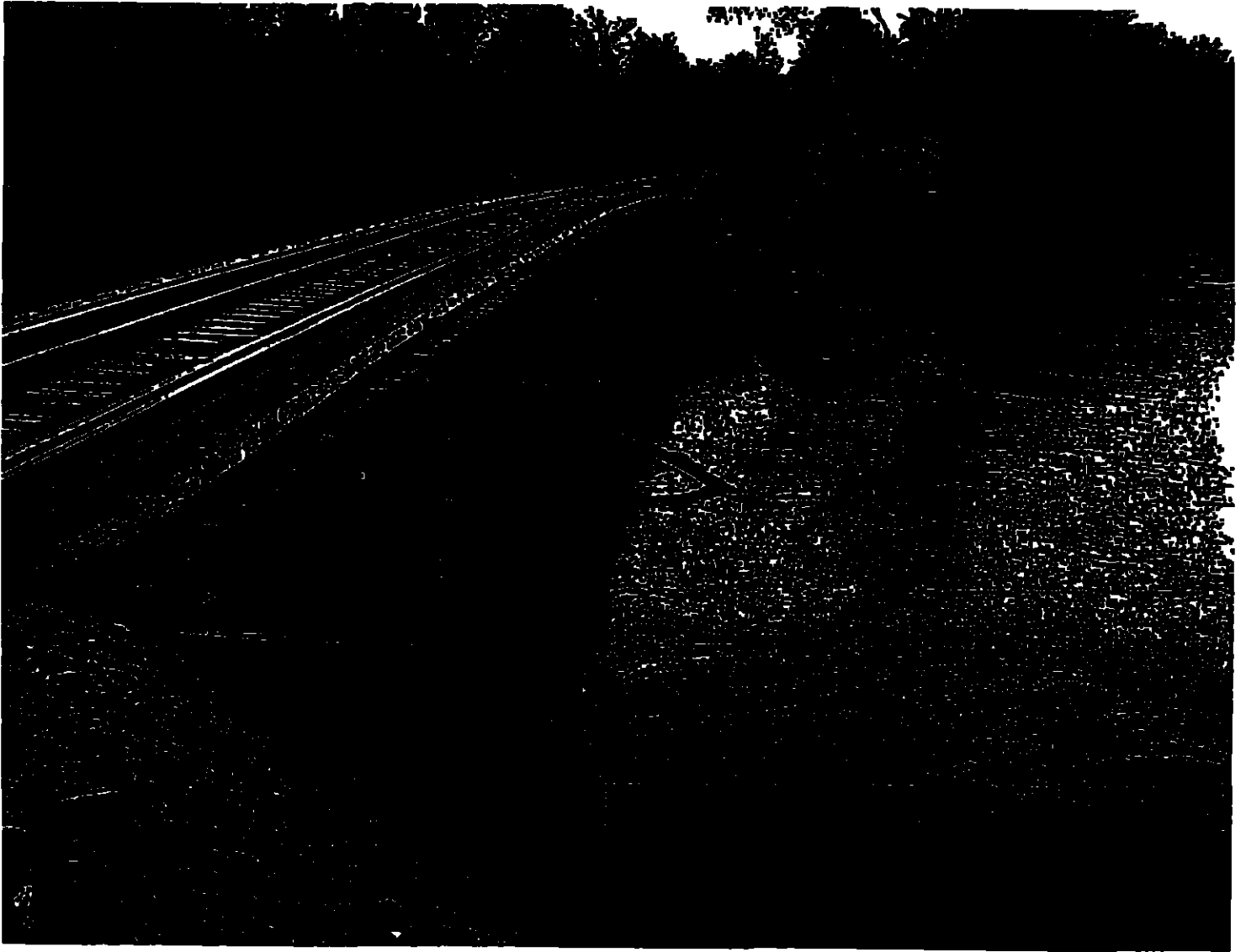
MP 36.77



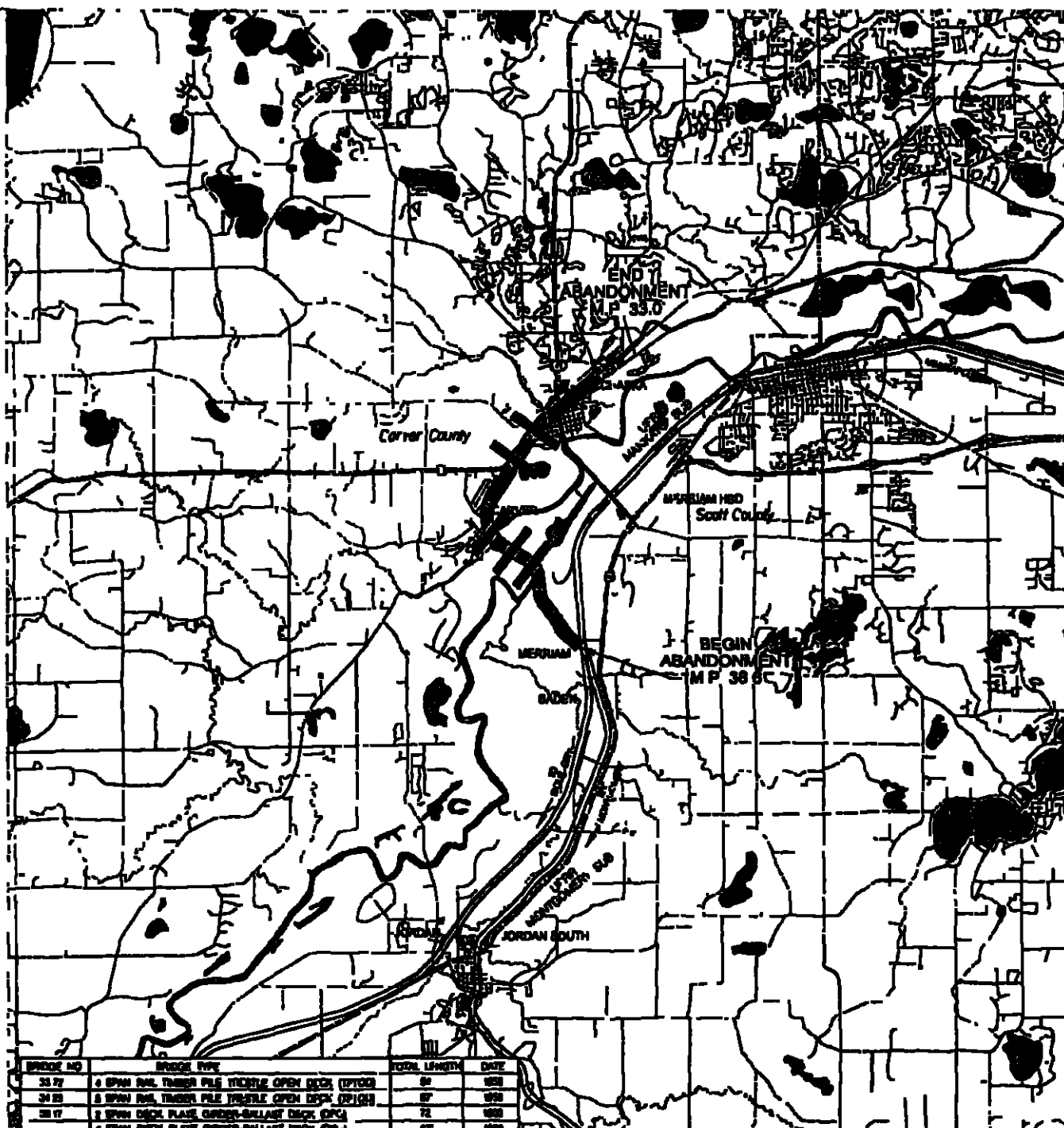
MP 36.77



MP 37.14



MP 37.14



BRIDGE NO.	BRIDGE TYPE	TOTAL LENGTH	DATE
33.72	4 SPAN RAIL TIMBER PILE TRUSS OPEN DECK (TPOD)	84	1928
34.25	8 SPAN RAIL TIMBER PILE TRUSS OPEN DECK (TPOD)	87	1928
35.17	2 SPAN DECK PLATE GIRDERS-BALLAST DECK (DPA)	72	1928
	4 SPAN DECK PLATE GIRDERS-BALLAST DECK (DPA)	67	1928
	1 SPAN BEAM	32	1928
36.77	25 SPAN RAIL TIMBER PILE TRUSS OPEN DECK (TPOD)	371	1928
37.74	12 SPAN RAIL TIMBER PILE TRUSS OPEN DECK (TPOD)	128	1947

LEGEND

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- OTHER UPRR LINES
- OTHER RAILROADS
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- PRINCIPAL HIGHWAYS
- OTHER ROADS
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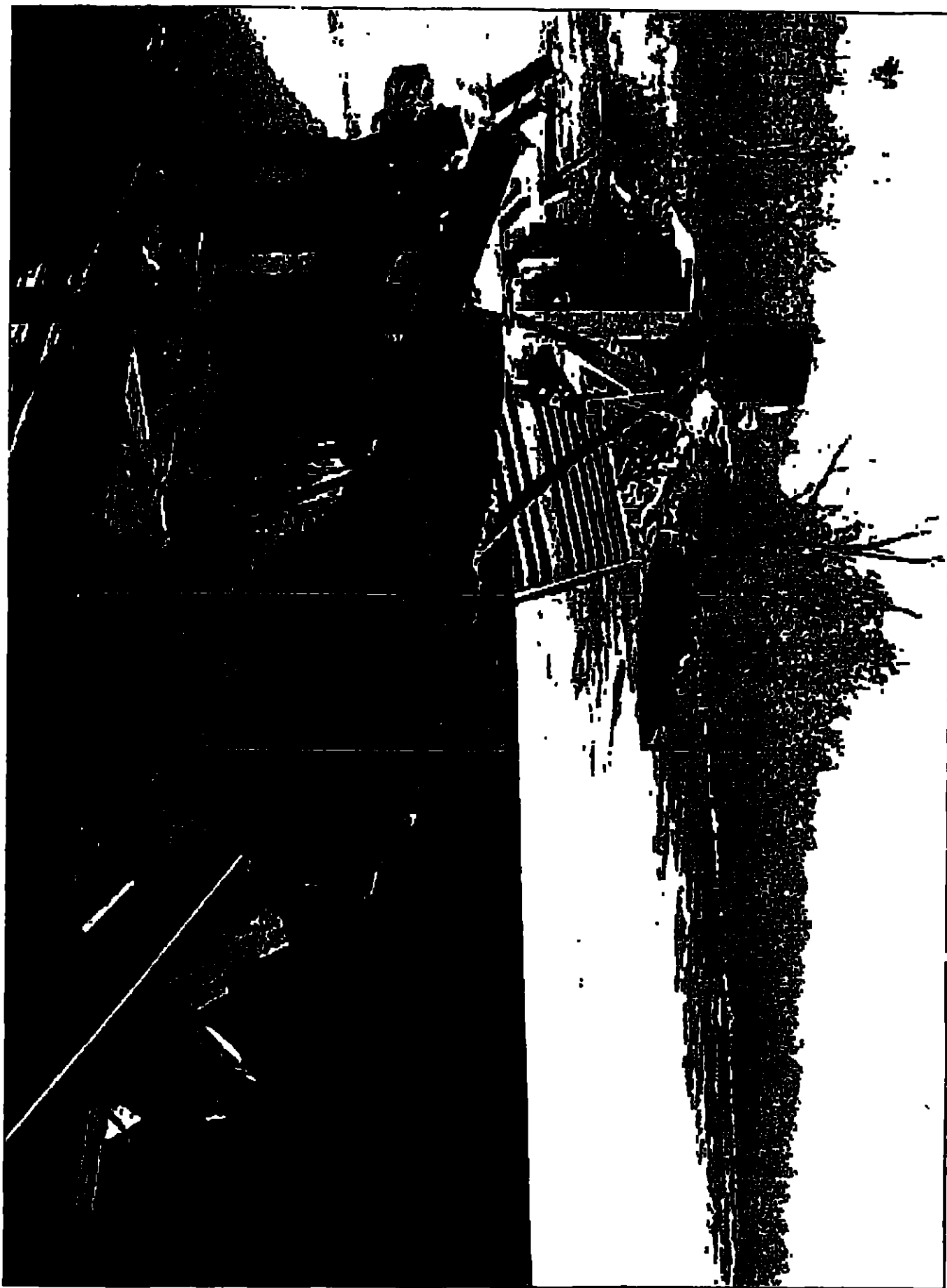
UNION PACIFIC RAILROAD CO
 CHASKA INDUSTRIAL LEAD
 MINNESOTA

INCLUDING 50+ YEAR OLD STRUCTURES

SCALE 012 MILES

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DATE 10-Apr-07 1119



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MINNESOTA HISTORICAL SOCIETY

State Historic Preservation Office

June 18, 2007

Mr. Charles Saylor
Union Pacific Railroad
1400 Douglas Street, STOP 1580
Omaha, NE 68179-1580

Re: Union Pacific Railroad - proposed abandonment from milepost 38.6 near Merriam to milepost 33.0 near Chaska,
Carver & Scott Counties
SHPO Number. 2007-1869

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Your review submittal includes information on fifteen bridges, and requests our opinion about the historical significance of these bridges. However, the identification process for the Section 106 review needs to address more than these bridges. The significance of the rail line itself, as well as any associated structures and buildings, also need to be addressed.

We recommend that you work with the Surface Transportation Board to evaluate the significance of the rail line, including the bridges. We look forward to reviewing the results of that evaluation.

We note that our inventory includes a building known as the Merriam Junction Depot, located near the southern end of the section proposed for abandonment. This building was inventoried about 1980. Its current status is not known. This building also needs to be included in the evaluation. A portion of the abandonment also passes through and/or adjacent to the Carver Historic District, which is listed on the National Register of Historic Places. Effects on elements of this district, including a restored railroad water tower, need to be considered. There are also several inventoried and/or listed historic properties within the city of Chaska. Some of these properties may require further evaluation if they lie within the area of potential effect.

We look forward to working with you and the Surface Transportation Board to complete this review. Contact us at 651-259-3455 with questions or concerns.

Sincerely,

Dennis A. Gummestad
Government Programs & Compliance Officer

cc: Chaska Heritage Preservation Commission
Carver Heritage Preservation Commission

9



Gabriel S. Meyer
Assistant General Attorney

October 30, 2007

Via First Class Mail

State Clearinghouse (or alternate):

Minnesota Planning
658 Cedar Street, Room 300
St Paul, MN 55155

State Environmental Protection Agency:

Minnesota Pollution Control Agency
520 Lafayette Road
St Paul, MN 55155-4194

**State Coastal Zone Management Agency
(if applicable):**

Not Applicable

Head of each County:

Carver County Supervisors
600 East 4th Street
County Courthouse
Chaska, MN 55318-2102

Scott County Supervisors
200 Fourth Avenue West
County Government Center
Shakopee, MN 55379-1220

Environmental Protection Agency

(Regional Office):

U S Environmental Protection Agency
Region 5
77 West Jackson Blvd
Chicago, IL 60604

U.S. Fish and Wildlife:

U S Fish & Wildlife Service, Region 3
1 Federal Drive
BHW Federal Building
Fort Snelling, MN 55111

U.S. Army Corps of Engineers:

U S Army Corps of Engineers
St Paul District
190 Fifth Street East
St Paul, MN 55101-1638

National Park Service:

National Park Service
Midwest Region
601 Riverfront Drive
Omaha, NE 68102

U.S. Natural Resources Conservation Service:

State Conservationist
Natural Resource Conservation Service
375 Jackson Street, Suite 600
St Paul, MN 55101-1854

National Geodetic Survey:

National Geodetic Survey
Edward J. McKay, Chief
Spatial Reference System Division
NOAA N/NGS2
1315 E-W Highway
Silver Spring, MD 20910-3282

State Historic Preservation Office:

Minnesota Historical Society
345 Kellogg Blvd West
St Paul, MN 55102-1906

RE: Docket No. STB No. AB-33 (Sub-No. 255), Union Pacific Railroad Company - Abandonment - In Carver and Scott Counties, Minnesota, (Chaska Industrial Lead)

Dear Sir or Madame:

On or after November 20, 2007 we expect to file with the Surface Transportation Board an application seeking authority to abandon a line of railroad known as the Chaska Industrial Lead, located in Carver and Scott Counties, Minnesota, between the Milepost 33 and Milepost 38.6 Attached is a combined Environmental and Historic Report describing the proposed action and its expected environmental and historic effects, which includes a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of this proceeding. If any of the information is misleading or incorrect, if you believe that pertinent information is missing, or if you have any questions about the Board's environmental review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 395 E Street, S W , Washington, D C 20024, telephone 202-245-0245 and refer to the above Docket No AB-33 (Sub No 255) Because the applicable statutes and regulations impose stringent deadlines for processing this action, your written comments to SEA (with a copy to our representative) would be appreciated within 3 weeks.

Your comments will be considered by the Board in evaluating the environmental and/or historic preservation impacts of the contemplated action. If there are any questions concerning this proposal, please contact our representative directly. Our representative in this matter is Gabriel S. Meyer who may be contacted by telephone at 402 544-1658 or by mail at Union Pacific Railroad Company, 1400 Douglas Street, Omaha, NE, 68179

Sincerely,



Enclosures

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Docket No. AB-33 (Sub-No. 255)

**UNION PACIFIC RAILROAD COMPANY
– ABANDONMENT –
IN CARVER AND SCOTT COUNTIES, MINNESOTA
(CHASKA INDUSTRIAL LEAD)**

Combined Environmental and Historic Report

**UNION PACIFIC RAILROAD COMPANY
Gabriel S. Meyer
Assistant General Attorney
1400 Douglas Street, Mail Stop 1580
Omaha, Nebraska 68179
(402) 544-1658
(402) 501-0129 FAX**

**Dated: October 30, 2007
Filed: October 31, 2007**

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Docket No. AB-33 (Sub-No. 255)

**UNION PACIFIC RAILROAD COMPANY
– ABANDONMENT –
IN CARVER AND SCOTT COUNTIES, MINNESOTA
(CHASKA INDUSTRIAL LEAD)**

Combined Environmental and Historic Report

Union Pacific Railroad Company ("UP") submits this Combined Environmental and Historic Report pursuant to 49 CFR §1105.7(e) and 49 CFR §1105.8(d), respectively, for authorization to abandon the Chaska Industrial Lead from Milepost 38.6 near Memam to Milepost 33.0 near Chaska, a distance of 5.60 miles in Carver and Scott Counties, Minnesota (the "Line"). The Line traverses U.S. Postal Service Zip Codes 55315, 55318, and 55379.

The UP anticipates that an Application for Abandonment and Discontinuance of Service on the Line will be filed with the STB on or after November 20, 2007.

A map of the Line marked Attachment No. 1 is attached hereto and is hereby made a part hereof. UP's letter to federal, state and local government agencies marked Attachment No. 2 is attached hereto and is hereby made a part hereof. Responses received thus far to UP's letter are attached hereto and are sequentially referenced as

attachments in the appropriate sections of this Combined Environmental and Historic Report.

ENVIRONMENTAL REPORT
49 C.F.R. § 1105.7(e)

(1) Proposed action and alternatives.

Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

Response: The proposed action involves the abandonment and discontinuance of service on the Chaska Industrial Lead from Milepost 38.6 near Mernam to Milepost 33.0 near Chaska, a distance of 5.60 miles in Carver and Scott Counties, Minnesota. The only active shippers on the Line are United Sugars Corporation and Chaska Building Center. Recent shipping profiles are as follows.

United Sugars Corporation ("United Sugars")
524 Center Avenue
Moorhead, MN 56560

2005: Sugars, STCC 20621, 830 cars, 60,210 tons.

2006: Sugars, STCC 20621, 816 cars, 77,070 tons

Base Year (3/06-2/07): Sugars, 764 cars, 72,405 tons

Forecast Year (11/07-10/08): Sugars, 764 cars, 72,405 tons

**Chaska Building Center
P. O. Box 89
Chaska, MN 55318**

**2005. Lumber, STCC 24211, 6 cars, 523 tons
Boards, STCC 24991, 1 car, 96 tons
Gypsum Wallboard, STCC 32754, 3 cars, 303 tons**

2006: Lumber, STCC 24211, 3 cars 297 tons

Base Year (3/06-2/07): 0 cars

Forecast Year (11/07-10/08): 0 cars

Total Traffic—Base Year and Forecast Year

Base Year (3/06-2/07): Sugars, 764 cars, 72,405 tons

Forecast Year (11/07-10/08): Sugars, 764 cars, 72,405 tons

There appears to be no reasonable alternative to the abandonment. There are no other current rail customers on the Line and no location of new rail-served industry along the Line is anticipated. There is no overhead traffic.

After abandonment, the closest rail lines would be UP's Mankato Subdivision at Mernam, approximately two highway miles south of Chaska, and the Twin Cities & Western Railroad, approximately three highway miles north of Chaska.

Lying in the southwest portion of the Minneapolis/St. Paul metropolitan area, Chaska is served by a number of state and local roads. In addition, the major highway serving Chaska is U.S. 212, which runs approximately ten miles northeast to Interstate 494, which in turn connects with the extensive Interstate Highway network serving the Twin Cities area.

The Line was constructed in 1870 by the Minneapolis and St. Louis Railroad. The track structure is currently comprised of 115-pound jointed rail laid in 1958.

The total property area considered in the proposed abandonment consists of 74.9138 acres of which 67.257 acres are fee equivalent ownership and 7.6568 acres are considered reversionary. Currently, there are no specific plans for the property. Based on information in our possession, the Line does not contain federally granted right-of-way. Any documentation in UP's possession will be made available to those requesting it.

A map of the Line is attached as Attachment No. 1.

(2) Transportation system.

Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

Response: If the requested authority is granted, UP calculates that an additional 5,792 loaded and empty truck movements will potentially use area highways each year, or approximately 23 one-way truck movements per business day.¹ The existing road network, which includes U.S. Highway 212 is expected to be able to accommodate this increased traffic without adversely impacting overall traffic conditions. This impact could be substantially reduced if the trucks used to deliver

¹ This estimate of 23 one-way truck movements per day is based upon the following assumptions: the 72,405 tons of sugar transported during the Forecast Year will require 2,896 loaded truck movements, with each truck carrying 25 tons of sugar. Assuming conservatively that the trucks have a 100% empty return rate, this results in a total increase of 5,792 one-way truck movements (loaded and empty). In a year with 250 business days, approximately 23 additional trucks will use area highways each business day. In the event that these trucks travel on weekends or holidays, the net increase would be less than 23 trucks per day.

unfinished materials to United Sugars were used to carry finished goods from the facility, rather than returning empty.

(3) Land use.

(i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

(ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land.

(iii) If the action effects land or water uses within a designated coastal zone, include the coastal zone information required by §1105 9.

(iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. § 10905 and explain why.

Response:

(i) UP has no current plans for the property after completion of the proposed abandonment. The Carver County Office of County Commissioners has been contacted, and on behalf of the Carver County Regional Railroad Authority, the Commissioners filed a Request For Public Use Condition and a Request For Interim Trail Use along with a Statement Of Willingness To Assume Financial Responsibility. The County Commissioners' response is attached as Attachment No. 3, and is hereby made a part hereof. UP has received no response from Scott County officials.

(ii) The United States Natural Resources Conservation Service has been contacted and by letter dated May 15, 2007, has stated that the proposed abandonment will not affect any prime farmland. The Natural Resources Conservation Service response is attached as Attachment No. 4, and is hereby made a part hereof.

(iii) Not Applicable.

(iv) If the land is acquired by a public entity for recreational or other public purposes, the United States of America may be willing to convey the reversionary interests. The Carver County Regional Railroad Authority has expressed interest in the property for potential trail use and other public transportation uses.

(4) Energy.

(i) Describe the effect of the proposed action on transportation of energy resources.

(ii) Describe the effect of the proposed action on recyclable commodities

(iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why.

(iv) If the proposed action will cause diversions from rail to motor carriage of more than

(A) 1,000 rail carloads a year, or

(B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

Response:

(i) The commodities handled on the Line are sugar and lumber, therefore there are no effects on the transportation of energy resources.

(ii) There are no recyclable commodities moved over the Line.

(iii) There may be a limited decrease in overall energy efficiency, due to the need for shippers to move their goods at least part of the distance to Chaska via truck.

(iv)(A) Less than 1,000 railcars will be diverted from rail to motor carriage during the Forecast Year

(iv)(B) The proposed action will cause the diversion of approximately 764 railcars from rail to motor carriage during the Forecast Year. Because all traffic using

the Line traverses the entire line, this will result in a diversion from rail to motor carriage of more than 50 cars per mile. UP estimates the resulting net change in energy consumption as follows:

- For purposes of this calculation, UP assumes that each shipment diverted from rail to motor carriage will travel 56 miles via motor carriage, the distance of the Line proposed for abandonment. The distance could be less if United Sugars were to transload its inbound shipments from rail at a location along either UP's Mankato Subdivision at Merriam, MN (approximately two highway miles south of Chaska) or along the Twin Cities & Western Railroad (approximately three highway miles north of Chaska).**
- Traffic diverted to motor carriage will travel in highway trailers. UP estimates that the movement of each highway trailer via motor carriage will require the same amount of energy as the movement of a single railcar.**
- United Sugars attempts to load highway trailers with 25 tons of materials. As a result, the 72,405 tons that United Sugars shipped by rail during the Base Year will require 2,896 highway trailers (or 5,792 one-way trips via motor carriage). This estimate conservatively assumes that each highway trailer will have a 100 percent empty return rate—i.e., the trailers used to replace railcar shipments will deliver inbound materials to United Sugars only, and then depart empty from United Sugars' facility. If United Sugars uses some of**

these highway trailers to haul outbound product from its plant, which already travels via motor carriage, then the net increase in motor carriage use may be substantially less.

- Assuming that the proposed abandonment results in a net increase of 2,896 highway trailers used to transport United Sugars traffic, each of which will carry 25 tons of lading, the total amount of energy required to move these trailers the 5 6-mile length of the Line will be approximately 3.8 times the amount of energy required to move them by rail. This will result in a net energy consumption increase equal to approximately 2.8 times the amount of energy used during the Base Year to move United Sugars traffic via rail over the Line proposed for abandonment.²

(5) Air (i).

(i) If the proposed action will result in either:

(A) an increase in rail traffic of at least 100% (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or

(B) an increase in rail yard activity of at least 100% (measured by carload activity), or

(C) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. 10901 (or 10505) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in subsection (5)(i)(A) will apply.

² This 2.8-times net increase reflects the elimination of energy use for rail transport over the Line proposed for abandonment.

Response:

(I)(A) Not applicable.

(i)(B) Not applicable

(i)(C) Assuming that the proposed abandonment will result in a net increase of 5,792 one-way truck movements, this will neither result in a 10% increase nor a 50 vehicle-per-day increase in traffic on any road segment See UP's response to 49 C.F.R. § 1105.7(e)(2), above.

(5) Air (II).

(ii) If the proposed action affects a class 1 or nonattainment area under the Clean Air Act, and will result in either:

(A) an increase in rail traffic of at least 50% (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line, or

(B) an increase in rail yard activity of at least 20% (measured by carload activity), or

(C) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. 10901 (or 49 U.S.C. 10505), or a case involving the reinstitution of service over a previously abandoned line, only the three train a day threshold in this item shall apply.

Response:

(i)(A) Not applicable.

(i)(B) Not applicable

(i)(C) See UP's response to 49 C.F.R. § 1105.7(e)(5)(i)(c), above.

(5) Air (III).

(iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent

available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

Response:

The proposed action will not affect the transportation of ozone depleting materials

(6) Noise.

If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause.

(i) an incremental increase in noise levels of three decibels Ldn or more or

(ii) an increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area and quantify the noise increase for these receptors if the thresholds are surpassed.

Response: Not applicable.

(7) Safety.

(i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings)

(ii) If hazardous materials are expected to be transported, identify the materials and quantity; the frequency of service, whether chemicals are being transported that, if mixed, could react to form more hazardous compounds, safety practices (including any speed restrictions), the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials.

(iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.

Response:

(i) The proposed action will have no detrimental effects on public health and safety.

(ii) The proposed action will not affect the transportation of hazardous materials.

(iii) There are no known hazardous material waste sites or sites where known hazardous material spills have occurred on or along the subject right-of-way.

(8) Biological resources.

(i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects

(ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects

Response:

(i) The U. S. Fish and Wildlife Service has been contacted and determined that no threatened or endangered species or their designated critical habitats exist within the site of the proposed abandonment. The Fish and Wildlife Service has determined the proposed abandonment will have beneficial effects on the Refuge and adjacent wildlife habitat and no adverse effects, and furthermore states that the Minnesota Valley National Wildlife Refuge strongly supports the abandonment. The Fish & Wildlife Service's response is attached as Attachment No. 5, and is hereby made a part hereof.

(ii) The National Park Service has been contacted and has reviewed the proposed abandonment. The National Park Service Midwest Regional Office had no comments concerning the proposed abandonment. The National Park Service's response is attached as Attachment No. 6, and is hereby made a part hereof.

(9) Water.

(i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies

(ii) Based on consultation with the U.S Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects

(iii) State whether permits under section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action. (Applicants should contact the U.S. Environmental Protection Agency or the state environmental protection or equivalent agency if they are unsure whether such permits are required.)

Response:

(i) The Minnesota Pollution Control Agency has been contacted. To date UP has received no responses.

(ii) The U S. Army Corps of Engineers has been contacted. To date UP has received no response.

(iii) It is not anticipated there will be any requirements for Section 402 permits.

(10) Proposed Mitigation.

Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

Response: There are no known adverse environmental impacts.

HISTORIC REPORT
49 C.F.R. § 1105.8(d)

(1) A U.S.G.S. topographic map (or an alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action:

Response: See Attachment No. 1.

(2) A written description of the right-of-way (including approximate widths to the extent known), and the topography and urban and/or rural characteristics of the surrounding area:

Response: The right-of-way generally consists of a strip of land 100 feet wide through mostly level terrain. The southerly portion is adjacent to fields and the Minnesota River and the northerly portion passes through the City of Chaska, which is at the southwesterly edge of the suburban Minneapolis area.

(3) Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediately surrounding area:

Response: The Minnesota Historical Society has been provided with photographs of each of the structures on the property that are 50 years old or older. A copy of the letter to the State Historical Society and photographs are attached as Attachment No. 7, and are hereby made a part hereof. The response of the State Historic Preservation Office is attached as Attachment No. 8, and is hereby made a part hereof.

(4) The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations to the extent such information is known:

Response: See Attachment No. 1 and Attachment No. 7.

(5) A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action.

Response: See the preceding pages for a brief history and description of carrier operations.

(6) A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic:

Response: Not applicable.

(7) An opinion (based on readily available information in the railroad's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 CFR §60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities):

Response: The Minnesota Historical Society—State Historic Preservation Office ("SHPO") has submitted comments related to the proposed abandonment. A copy of these comments is attached as Attachment No. 8. Other than the structures noted by the SHPO, UP knows of no historic sites, structures, or archeological resources on the Line or in the project area and believes there is nothing in the scope of the project that merits historical comment. UP further believes that any archeological sites within the scope of the right-of-way would have previously been disturbed during the construction and maintenance of the Line. UP will work with the SHPO and the STB to evaluate the significance of the structures identified by the SHPO.

(8) A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or manmade) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic wastes), and the surrounding terrain:

Response: UP does not have any such readily available information.

(9) Within 30 days of receipt of the historic report, the State Historic Preservation Officer may request the following additional information regarding specified nonrailroad owned properties or group of properties immediately adjacent to the railroad right-of-way. Photographs of specified properties that can be readily seen from the railroad right-of-way (or other public rights-of-way adjacent to the property) and a written description of any previously discovered archeological sites, identifying the locations and type of the site (i.e., prehistoric or native American):

Response: Not applicable.

Dated this 30th day of October, 2007.

Respectfully submitted,

UNION PACIFIC RAILROAD COMPANY



Gabriel S Meyer
Assistant General Attorney
1400 Douglas Street, Mail Stop 1580
Omaha, Nebraska 68179
(402) 544-1658
(402) 501-0129 FAX

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Combined Environmental and Historic Report in Docket No. AB-33 (Sub-No 255) for the Chaska Industrial Lead in Carver and Scott Counties Minnesota, and an associated transmittal letter (Attachment No. 9), was served by first class mail on the 30th day of October, 2007 on the following

State Clearinghouse (or alternate):

Minnesota Planning
658 Cedar Street, Room 300
St Paul, MN 55155

State Environmental Protection Agency:

Minnesota Pollution Control Agency
520 Lafayette Road
St Paul, MN 55155-4194

State Coastal Zone Management Agency

(If applicable):

Not Applicable

Head of each County:

Carver County Supervisors
600 East 4th Street
County Courthouse
Chaska, MN 55318-2102

Scott County Supervisors
200 Fourth Avenue West
County Government Center
Shakopee, MN 55379-1220

Environmental Protection Agency

(Regional Office):

U S Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604

U.S. Fish and Wildlife:

U S Fish & Wildlife Service, Region 3
1 Federal Drive
BHW Federal Building
Fort Snelling, MN 55111

U.S. Army Corps of Engineers:

U S Army Corps of Engineers
St Paul District
190 Fifth Street East
St Paul, MN 55101-1638

National Park Service:

National Park Service
Midwest Region
601 Riverfront Drive
Omaha, NE 68102

U.S. Natural Resources Conservation Service:

State Conservationist
Natural Resource Conservation Service
375 Jackson Street, Suite 600
St Paul, MN 55101-1854

National Geodetic Survey:

National Geodetic Survey
Edward J McKay, Chief
Spatial Reference System Division
NOAA N/NGS2
1315 E-W Highway
Silver Spring, MD 20910-3282

State Historic Preservation Office:

Minnesota Historical Society
345 Kellogg Blvd West
St Paul, MN 55102-1908

Other:

Lee Glass
Transportation Manager
United Sugars Corporation
524 Center Avenue
Moorhead, MN 56560

John Heiland
Manager
Chaska Building Center
P O Box 89
Chaska, MN 55318

Dated this 30th day of October, 2007



Gabriel S. Meyer

APPENDIX K

**Before the
SURFACE TRANSPORTATION BOARD**

Docket No. AB-33 (Sub-No. 255)

**UNION PACIFIC RAILROAD COMPANY
-- ABANDONMENT AND DISCONTINUATION OF OPERATION--
IN CARVER AND SCOTT COUNTIES, MINNESOTA
(CHASKA INDUSTRIAL LEAD)**

DRAFT FEDERAL REGISTER NOTICE

STB No. AB-33 (Sub-No. 255)

Notice of Application for Abandonment

On December 12, 2007, Union Pacific Railroad Company ("UP") filed with the Surface Transportation Board (the "Board"), Washington, D.C. 20423, an Application for permission to abandon a line of railroad known as the Chaska Industrial Lead (the "Line"), which extends 5.6 miles from Chaska (Milepost 33.0) to Merriam (Milepost 38.6), in Scott and Carver Counties, Minnesota. No agency stations exist on the Line. The Line traverses United States Postal Service ZIP Codes 55315, 55318, and 55379.

The Line does not contain federally granted rights-of-way. Any documentation in UP's possession will be made available promptly to those requesting it. UP's entire case for abandonment was filed with the Application and in the attachments thereto.

The Line has appeared on UP's System Diagram Map since July 16, 2007.

The interest of railroad employees will be protected as required by 49 U.S.C. 10903(b)(2).

Any interested person may file with the Board written comments concerning the proposed abandonment, or protests (including the protestant's entire opposition case), within 45 days after the application is filed. All interested persons should be aware that following any abandonment of rail service and salvage of the Line, the Line may be suitable for other public use, including interim trail use. Any request for a public use condition under 49 U.S.C. 10905 (§ 1152.28 of the Board's rules) and any request for a trail use condition under 16 U.S.C. 1247(d) (§ 1152.29 of the Board's rules) must be filed within 45 days after the Application is filed. Persons who may oppose the discontinuance but who do not wish to participate fully in the process by appearing at any oral hearings or by submitting verified statements of witnesses, containing detailed evidence, should file comments. Persons interested only in seeking public use or trail use conditions should also file comments. Persons opposing the proposed abandonment that do wish to participate actively and fully in the process should file a protest.

In addition, a commenting party or protestant may provide:

- (i) An offer of financial assistance, pursuant to 49 U.S.C. 10904 (due 120 days after the application is filed or 10 days after the application is granted by the Board, whichever occurs sooner);
- (ii) Recommended provisions for protection of the interests of employees,
- (iii) A request for a public use condition under 49 U.S.C. 10905, and

Appendix K

- (iv) A statement pertaining to prospective use of the right-of-way for interim trail use and rail banking under 16 U.S.C. 1247(d) and § 1152.29.

Parties seeking information concerning the filing of protests should refer to 49 CFR § 1152.25.

Written comments and protests must indicate the proceeding designation STB No. AB-33 (Sub-No.255) and should be filed with the Secretary, Surface Transportation Board (Board), Washington, D.C. 20423, no later than January 28, 2008. Interested persons may file a written comment or protest with the Board to become a party to this discontinuance proceeding. A copy of each written comment or protest shall be served upon the representative of the applicant, Gabriel S. Meyer, Assistant General Attorney, 1400 Douglas Street, STOP 1580, Omaha, NE 68179, telephone (402) 544-1658, fax (402) 501-3393. The original and 10 copies of all comments or protests shall be filed with the Board with a certificate of service. Except as otherwise set forth in part 1152, every document filed with the Board must be served on all parties to the discontinuance proceeding in accordance with 49 CFR 1104.12(a).

The Line sought to be abandoned will be available for subsidy or sale for continued rail use, if the Board decides to permit the abandonment in accordance with applicable laws and regulations (49 U.S.C. 10904 and 49 CFR 1152.27). No subsidy arrangement approved under 49 U.S.C. 10904 shall remain in effect for more than 1 year unless otherwise mutually agreed by the parties (49 U.S.C. 10904(f)(4)(B)). Applicant will promptly provide upon request to each interested party an estimate of the subsidy and minimum purchase price required to keep the Line in operation. The carrier's representative to whom inquiries may be made concerning sale or subsidy terms is Gabriel S. Meyer, Assistant General Attorney, 1400 Douglas Street, STOP 1580, Omaha, NE 68179, telephone (402) 544-1658, fax (402) 501-3393.

Persons seeking further information concerning abandonment procedures may contact the Surface Transportation Board or refer to the full abandonment and discontinuance regulations at 49 CFR part 1152. Questions concerning environmental issues may be directed to the Board's Section of Environmental Analysis.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by the Section of Environmental Analysis will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Any other persons who would like to obtain a copy of the EA (or EIS) may contact the Section of Environmental Analysis. EAs in these abandonment proceedings normally will be made available within 33 days of the filing of the application. The deadline for submission of comments on the EA will generally be within 30 days of its service. The comments received will be addressed in the Board's decision. A supplemental EA or EIS may be issued where appropriate.

APPENDIX L

Before the
SURFACE TRANSPORTATION BOARD

Docket No AB-33 (Sub-No 255)

UNION PACIFIC RAILROAD COMPANY
-- ABANDONMENT--
IN CARVER AND SCOTT COUNTIES, MINNESOTA
(CHASKA INDUSTRIAL LEAD)

AFFIDAVIT
(49 C.F.R. § 1152.24(b))

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

Gabriel S. Meyer, being first duly sworn under oath, deposes and says that the notice requirements of 49 C.F.R. § 1152.20 have been complied with in Docket No. AB-33 (Sub-No. 255), as follows:

§ 1152.20(a)(1) - On November 13, 2007 the Notice of Intent was sent via electronic filing to Mr Vernon Williams, Secretary, Surface Transportation Board, 395 E Street, S.W., Washington, DC 20024

§ 1152.20(a)(2) - On November 13, 2007, the Notice of Intent was mailed in first class mail (or certified mail as noted), postage prepaid to the following:

Appendix L

Significant Users

[49 CFR 1152.20(a)(2)(i)]

**United Sugars Corporation ("United Sugars")
524 Center Avenue
Moorhead, MN 56560**

**Chaska Building Center
P. O. Box 89
Chaska, MN 55318**

State Officials and Federal Agencies

[49 CFR 1152.24 (c)]

(via certified mail)

**Honorable Tim Pawlenty
Governor of Minnesota
130 State Capitol
75 Rev. Dr. Martin Luther King Blvd.
St. Paul, MN 55155**

**National Park Service
Midwest Region
1709 Jackson St
Omaha, NE 68102**

**Minnesota Department of Transportation
395 John Ireland Blvd.
St. Paul, MN 55155-1899**

**UM Extension Carver County
11360 Highway 212 W Ste 4
Cologne, MN 55322-8019**

**Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147**

**UM Extension Scott County
7151 190th St W
Suite 100
Jordan, MN 55352-2104**

**Minnesota Planning
658 Cedar Street, Room 300
St. Paul, MN 55155**

**U. S Department of Transportation
Federal Railroad Administration
1120 Vermont Ave., NW
Washington, D. C 20590**

**Department of Natural Resources
Division of Parks and Recreation
500 Lafayette Road
St Paul, MN 55155-4040**

**MTMCTEA
Attn. Railroads for National Defense
720 Thimble Shoals Boulevard, #130
Newport News, Virginia 23560-2574**

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USDA Forest Service
1400 Independence Ave., SW
Washington, D C 20250-0003

U. S. Department of the Interior
National Park Service, Attn: Rick Potts
1201 Eye St., NW,
9th Floor, Org Code 2240
Washington, D. C. 20005

U S Railroad Retirement Board
844 North Rush Street
Chicago, IL 60611-2092

Headquarters – Railway Labor
Executive Association
400 North Capitol Street, Suite 850

Transportation Regulation Board
254 Livestock Exchange Building
100 Stockyards Road, Room 254
South St. Paul, MN 55075

Headquarters of Labor Organizations Representing Employees

Mr. B. D. MacArthur
General Chairman BLET
501 N. Second Street, Suite 2
Clinton, IA 52732

Mr M. J. Reedy
General Chairman UTU
307 W. Layton Avenue
Milwaukee, WI 53207

Mr. W. E. Morrow
General Chairman BMWED
P. O Box 850
Lyman, WY 82937

Mr. G. Pankey
General Chairman BRS
1150 N Mountain Ave , Suite 206
Upland, CA 91786

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§ 1152.20(a)(3) - Posting. On November 29, 2007, the Notice of Intent was posted in a conspicuous place at the Union Pacific Railroad Company headquarters building reception desk, which is open to the public at 1400 Douglas Street, Omaha, Nebraska, 68179. There are no agency stations located on the Line.

§ 1152.20(a)(4) - Newspaper publication. The Notice of Intent was published once each week for three consecutive weeks in a newspaper generally circulated in the county as follows:

<u>Newspaper</u>	<u>County</u>	<u>Dates Published</u>
<i>The Waconia Patriot</i>	Carver	November 15, 21, 2007
<i>Prior Lake American</i>	Scott	November 17, 24, 2007
<i>Minneapolis Star Tribune</i>	Carver & Scott	December 1, 2007

§ 1152.20(c) - Environmental and Historic Report. On October 31, 2007 (at least 20 days prior to filing the application), a Combined Environmental and Historic Report was prepared pursuant to §§1105.7(e) and 1105.8(d) and served with the form letter on all parties listed at § 1105.7(b)(1)-(11), and the State Historic Preservation Officer, pursuant to 49 C.F.R. §§ 1105.7 and 1105.8. The Combined Environmental and Historic Report and Certificate of Service were also served on the Board on October 31, 2007.

Dated this 11th day of December, 2007


Gabriel S Meyer

Subscribed and Sworn to before me a Notary Public this 11th day of December, 2007.


Notary Public

My Commission Expires:

